

Soviet Party Backs A New Constitution

By Michael Dobbs
Washington Post Service

MOSCOW — Communist Party leaders endorsed on Monday amendments to the Soviet Constitution while seeking to placate critics who argued that the changes could lead to excessive centralization of power.

The official Soviet news agency Tass said the party's policy-making Central Committee had agreed to ensure the rights of individual Soviet republics during the next stage of a lengthy process of political reform now under way.

The Central Committee met against a background of ethnic disturbances in the southern republics of Azerbaijan and Armenia and a challenge to Kremlin authority by the Baltic republic of Estonia.

The government newspaper Izvestia reported Monday that Islamic flags and portraits of the Iranian leader, Ayatollah Ruhollah Khomeini, had been displayed in demonstrations in Azerbaijan.

The Soviet legislature, the Supreme Soviet, meets Tuesday to vote on the proposed constitutional amendments.

Tass did not provide details of the closed Central Committee session. According to Estonian sources, however, a majority of speakers at the meeting expressed anger and resentment over Estonia's declaration on Nov. 16 of its sovereignty within the Soviet Union.

The sources said that the Estonian Communist Party leader, Vaino Valjas, explained why his party had voted itself the authority to override federal legislation. Mr. Valjas reportedly said that it was unreasonable to expect

all Soviet republics to move forward at the same pace.

Estonia, with 1.5 million people, has one of the highest living standards in the Soviet Union. But the economic development of the republic remains well below that of Scandinavian neighbors.

Moves appear to be under way to organize a political counterweight to a mass movement known as the Estonian Popular Front, which has emerged as a major force in the republic over the last few months.

Estonian journalists said that a meeting of mainly ethnic Russians from factories in the republic that came under Moscow's control had been called for Wednesday. They expressed concern that it could result in a conservative Russian backlash against political and economic reforms.

Ethnic Russians make up almost a third of Estonia's population and are in a majority in some of the large towns. The Russians, many of whom migrated to the republic as jobs opened up in the 1960s and 1970s, are generally more politically conservative than the largely middle-class Estonians who have joined the Popular Front.

Izvestia said that Ayatollah Khomeini's portrait had been displayed during rallies by tens of thousands of protesters in the Azerbaijani capital of Baku.

Like Iranians, Azerbaijanis are predominantly Shiite Moslems and the Kremlin would be extremely concerned at the prospect of them taking up Ayatollah Khomeini's ideas.

Until now, there has been little evidence that fundamentalist ideas have succeeded in influencing large sectors of Azerbaijan.



At the start of a surprise visit to Cairo, President Saddam Hussein of Iraq reviews a guard of honor with President Hosni Mubarak on Monday. The visit was believed to be connected with the U.S. decision to refuse an entry visa to Yasser Arafat, chairman of the Palestine Liberation Organization.

PLO: U.S. Won't Oppose Special UN Session in Geneva

(Continued from Page 1)

Mr. Arafat a visa has not been endorsed by any government with influence in the Middle East.

But, while Mr. Shultz's action clearly isolated the United States from the mainstream of world opinion about how to deal with the PLO, it was not immediately possible to predict what effect it might have on the incoming administration of President-elect George Bush and its ability to chart a fresh course in the Middle East.

Mr. Caputo's statement followed one by Secretary-General Javier Pérez de Cuellar, who said the State Department decision was incompatible with the U.S. role as UN host.

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In their comments, both officials referred to a section of the headquarters agreement, which states that "the federal, state or local authorities of the United States shall not impose any impediments to transit to or from the headquarters district" of persons invited to the UN on official business.

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Israeli leaders have praised the decision, but Algeria, China, Egypt, France, Libya, Saudi Arabia, Norway, Denmark, the Netherlands, Sweden and Australia were among nations that protested.

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POLLUTE: Mexico Gas Chamber

(Continued from Page 1)

raised here, one doctor who has researched the subject said, breathing the air is like smoking from birth.

Increasingly insistent demands for government action lately have come from both the political opposition and the ruling Institutional Revolutionary Party.

Last week, Javier López Moreno, the chairman of a congressional ecology commission, called Mexico City a "dissident zone" and warned that the capital's social stability could be undermined unless radical measures were taken.

In response to the outcry, the federal Secretariat for Urban Development and Ecology, known as Sedue, published an updated anti-pollution "contingency program" and said new steps would be announced before Dec. 1. But many environmentalists view Sedue's measures as too little, too late.

Some scientists, doctors and environmentalists suspect that Mexico City's air pollution already is causing deaths among people with respiratory and cardiovascular ailments, but such a connection has not yet been proved.

According to a recent confidential report by a European embassy, "Many thousands of people are believed to die each year with air pollutants as a pronounced contributory factor, especially the elderly and small children and persons with heart and lung diseases."

Mamuel Guerra, a chemist who heads Mexico City's Autonomous Institute for Environmental Re-

search, said, "I am convinced that the trend in air pollution levels in Mexico City points toward a real ecological catastrophe that will go down in history."

He expressed fear that a prolonged thermal inversion here could produce a "killer smog" similar to one that took 4,000 lives in London in 1952.

"If we do not do something, we are facing an ecological disaster in Mexico," said author Homero Aridjis, president of an environmental organization called the Group of 100. "Yet, the government does not lift a finger. It is as if we are abandoned to our fate."

Interviewed separately, Mr. Guerra, Mr. Aridjis and other ecologists charged that government agencies, including Sedue, have sought to minimize the gravity of the pollution problem, choosing instead to take largely cosmetic measures. According to one researcher, the powerful state oil monopoly, Petroleros Mexicanos, known as Pemex, once intervened to halt a private study that might have documented the harmful effects of its gasoline.

Sedue did not respond to requests for interviews for this article. However, the minister of Sedue, Gabino Fraga, told reporters at a Revolution Day ceremony that the air pollution problem had been "exaggerated."

"The pollution is heavy and bothersome," he said, "but we blame it for everything." He asserted that 300 polluting industries have moved out of the capital.

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Army Is Sent To Carry Travelers in Paris Strike

The Associated Press

PARIS — The Socialist government is ordering out army trucks to carry suburban commuters stranded by a transit strike, Transport Minister Michel Delebarre announced Monday.

Mr. Delebarre, speaking on national television, accused the Communist-led General Confederation of Labor, or CGT, of waging "a sort of unique guerrilla warfare of harassment."

"This is not in the French union tradition," he added.

Mr. Delebarre said that striking transit workers, as well as paralyzing two lines of the regional express rail network on Monday, blocked buses in their terminals, where they stationed tires and sabotaged engines.

He said that the management of the Paris regional transit agency would be directed to stop paying striking workers — a step not always taken in French strikes — and to start disciplinary actions against those who broke labor laws.

The CGT, the largest union in France, is leading the strike, which has been criticized by the more moderate unions. The strike is expected to continue through Tuesday. The CGT has said it wants safety improvements and across-the-board pay increases of 1,000 francs (\$170) per month.

Some members of other unions and nonunion members are participating in the strike, however.

Transport Ministry officials said the first 140 army trucks would not be available until Wednesday morning. Eventually, local authorities would have 400 vehicles and 1,000 soldiers to maintain services, they said.

The Socialist government of Prime Minister Michel Rocard has been unsettled by a wave of strikes by nurses, postal employees, government office workers and other public service employees in recent months. But Mr. Rocard has insisted that it was important not to allow inflationary wage increases.

Henri Krasucki, secretary-general of the CGT, dismissed suggestions that the strikes were intended to increase Communist chances at the expense of the Socialists in the municipal elections next spring, saying the idea was "completely stupid."

Besides stopping two of the four lines of the express network, the strike also reduced some Métro services.

Michel Rousselot, director general of the transport agency, said in an interview on French television that no new negotiations were planned with the unions.

WORLD BRIEFS

Envoys Say Kuwait to Free Bombers

BEIRUT (WP) — The Kuwaiti authorities are planning to release two of 17 Shiite prisoners whose fate is linked to the liberation of American hostages held by pro-Iranian Islamic extremists in Lebanon by mid-December, diplomats here said.

"The decision has been taken to release two of the 17 prisoners in mid-December," a Beirut-based diplomat said. "The names remain unknown but the Kuwaiti step is being taken in accordance with Kuwaiti law."

Since the spring of 1985, a standing demand by Iran-inspired fundamentalists holding foreigners captive in Lebanon has been the release of the 17 as a precondition for freeing hostages. Two of the 17, who were arrested in December 1983, were sentenced to five years in prison. The others received longer sentences and three were sentenced to death for bombings at the U.S. and French embassies.

Countdown Starts for Shuttle Launch

WASHINGTON (WP) — The countdown began at 12:01 A.M. Monday for a Thursday morning launching of the shuttle Atlantis, whose five-man crew will deploy a secret U.S. security satellite in orbit.

Details of the mission, the 27th launching of a shuttle, are secret, but analysts say they believe the payload is probably a giant, \$500 million satellite designated Lacrosse, a radar reconnaissance satellite that uses advanced radar imaging to "see" through clouds or darkness.

An spacewalk by astronauts could be a part of the mission. The high energy requirements of the Lacrosse dictate that it have unusually large unfolding solar panels and radar antenna, for a total wingspan after deployment of as much as 150 feet (46 meters), according to Aviation Week and Space Technology Magazine.

Syria Moves Against Beirut Militias

BEIRUT — The Syrian Army launched a major drive Monday to end five days of fighting in western Beirut, raiding houses, seizing weapons and arresting 300 feeding militiamen.

About 600 soldiers, armed with rocket-propelled grenades and machine guns, took part in the search for fighters of the Syrian-backed Amal and the pro-Iranian Hezbollah, or the Party of God.

A Syrian officer said his troops arrested about 300 gunmen and confiscated arms in raids on houses and hideouts. The Syrian military command renewed orders to its men to shoot gunmen on sight following the collapse of six truces since fighting between the rival Shiite Moslem militias erupted on Thursday.

Iran Cautions Genscher Over Rights

NICOSIA (Reuters) — Iran wants to increase economic ties with West Germany but will not tolerate Western pressure on human rights, Foreign Minister Ali Akbar Velayati said Monday to the West German foreign minister, Hans-Dietrich Genscher.

Mr. Genscher, who arrived Sunday in Tehran, is the first senior Western minister to visit Iran since the August cease-fire in the war with Iraq. Tehran radio quoted Mr. Velayati as saying that West Germany could play a major role in Iran's postwar economic reconstruction. But he said a campaign in the Western media over alleged human rights abuses in Iran was only a cover for "political prejudices."

Mr. Genscher voiced concern Monday about human rights abuses in Iran and the ordeal of 18 Westerners believed held hostage in Lebanon. Aides said Mr. Genscher specifically mentioned Terry A. Anderson, an American journalist kidnapped by pro-Iranian Shiite Moslems in March 1985. He mentioned "some very concrete cases" of rights abuses, one side said. "The Iranian side didn't block this discussion, but rather referred to the principles of Islamic law," he said.

Yugoslavia Defies Police in Sydney

SYDNEY (AFP) — Yugoslav officials refused Monday to give the Australian police permission to question a man sought in the shooting of a teen-ager during a demonstration by 1,500 Croats in the Yugoslav Consulate, the police said.

The Yugoslavs also would not give up the gun used in the incident, which occurred Sunday. The police said a member of the consulate staff shot Josef Tokic, 16, in the neck when a group of the Croats attempted to enter the consulate. The youth, who was born in Australia, is reported in serious condition.

Prime Minister Bob Hawke of Australia warned that Australians did not want to see their country become a battleground for foreign conflicts. Yugoslavia has protested what it called the failure of the Sydney police to intervene effectively during the protest. The Yugoslav news agency Tanjug called the shooting "legitimate defense."

Cambodian Refugees Flee Shelling

BANGKOK (NYT) — Two weeks of heavy shelling by the Vietnamese have driven back several thousand Cambodian refugees who had moved close to the Thai-Cambodian border by the Khmer Rouge, relief officials said Monday.

Since Saturday, about 2,500 Cambodians had returned to Ta Luan, a Khmer Rouge camp in Thailand's southeastern Trat Province to which international agencies have access. From the shelled forward camp Khao Phlu, the officials said. Another 5,000 refugees were within 4 kilometers (2.5 miles) of the camp. The officials said they assumed there had been casualties but none of the refugees, following Khmer Rouge practice, had approached the relief agencies.

Beginning in June, the Khmer Rouge moved all about 8,000 refugees from Ta Luan to Khao Phlu and other "reparation villages" near the border, in preparation for a return to Cambodia as Vietnamese troops withdrew. The Vietnamese, who invaded Cambodia in December 1978 and expelled the Khmer Rouge, say they will withdraw all their forces by March 1990.

For the Record

In voting Sunday in Costa Rica, Rafael Angel Calderón Fournier, a former foreign minister, claimed victory in the presidential primary of his United Social Christian Party. (AP)

A New Zealand tourist, Coleena Wong, 34, died Monday after being injured last week when a Chinese couple exploded a bomb atop the Great Wall in a lovers' suicide pact, officials in Beijing said. (UPI)

The Soviet Union said Monday that its weekend talks with Afghan rebels were confined to the question of Soviet prisoners of war. (Reuters)

The Red Cross, appealing to Iran and Iraq to uphold their agreement on exchanging sick and wounded Gulf War prisoners, said Monday it was negotiating with both sides to restart the swap. (Reuters)

A Pakistani president will be elected Dec. 12 to succeed the military ruler, Mohammed Zia ul-Haq, who died in a plane crash in August, the government election commission announced Monday. (Reuters)

TRAVEL UPDATE

China to Limit Forbidden City Visits

BEIJING (Reuters) — China plans to limit the number of visitors to the Forbidden City palace in Beijing to protect it from the strain of more than 11 million visitors a year.

Officials said Monday that bricks and staircases in the courtyards of the palace were cracking under the strain of more than 30,000 visitors a day. The number of visitors has risen since the Italian director Bernardo Bertolucci brought the 15th-century palace to the screen with his film, "The Last Emperor."

As many as 100,000 people visit the palace on holidays. The museum plans to limit the number of visitors to 25,000 a day, beginning Jan. 1. Admission fees may also be raised.

A total of 654,343 tourists visited the Philippines in the first eight months of the year, putting the country on target to meet its goal of one million visitors in 1988, officials said Monday. (AFP)

Correction

In an article in Thursday's editions, the International Herald Tribune misstated the reasons given by the British government for attempting to block distribution of the memoirs of Anthony Cavendish, a former British secret service agent. The government asserts that the book violates the obligation of confidentiality owed to the Crown by an intelligence agent and not, as reported, that the memoirs breach the Official Secrets Act.

The article, a New York Times dispatch, also misstated the title of Mr. Cavendish's book. The correct title is "Inside Intelligence."

ASSESS: Shultz's Decision Was a Personal Statement

(Continued from Page 1)

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They had two basic arguments. The first boiled down to avoiding another dispute with the United Nations, which criticized American efforts earlier this year to shut down the PLO observer mission there. The second was a concern that denying the visa would provoke protest from Arab countries and from allies in Europe.

Those arguing against a visa for Mr. Arafat included Richard S. Williamson, assistant secretary of state for international organization affairs; L. Paul Bremer 3d, head of the State Department's counterterrorism program; and Charles Hill, Mr. Shultz's top personal assistant, who has been political officer at the American Embassy in Tel Aviv and head of the State Department office dealing with Israel.

Mr. Shultz's experiences in the Middle East were also important. When he took office in 1982, some thought he would favor Arab interests because he had been president of the Bechtel Group, which has done large amounts of construction work in Saudi Arabia and other Arab countries.

At his Senate confirmation hearing, Mr. Shultz went considerably further than any member of the administration in expressing sympathy for the Palestinian people.

Mr. Shultz seemed to become disillusioned with Syria and other Arab nations in 1983, after Syria rejected an accord that he had worked out for the withdrawal of Israeli forces from Southern Lebanon.

Inside the administration, Mr. Shultz has a strong aversion to "strategic cooperation" with Israel.

In 1984 and 1985, he became the pre-eminent advocate of strong action against terrorists, supporting the use of military force in situations where it was opposed by Caspar W. Weinberger, the secretary of defense at the time.

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PICASSO: Painting Sets Record

(Continued from Page 1)

size that it belonged to a new phase in his oeuvre.

Considered to be the first transitional work between the Blue Period, which ended within months of Picasso's arrival in Paris, and the Rose Period, inspired by his happy relationship with Fernande Olivier, the picture ranks among the great masterpieces of his youth.

It is also dramatically linked with 20th-century history. In 1911, the picture was presented to the Elberfeld (Germany) City Museum by the city's museum association. But in 1936, it was seized by the Nazi authorities as an example of degenerate art.

"Acrobate et Jeune Arlequin" was included in the exhibition of 730 works of "Entartete Kunst" (Degenerate Art), which opened in July 1937 in Munich and traveled to Berlin, Leipzig and other German cities, drawing two million visitors.

Two years later, on June 30, 1939, the work was sold at auction in Lucerne on behalf of the German Reich as part of a group of "Modern Master Paintings and Sculptures From German Museums."

Moscow Will Sell India Helicopter Gunships

United Press International

NEW DELHI — India announced Monday that it would buy Mi-35 helicopters from the Soviet Union in the first sale of the gunships outside the Warsaw Pact.

Defense Minister Chintamani Panigrahi informed the lower house of Parliament in a written statement that the purchase had been approved by the Soviet Union, India's largest arms supplier.

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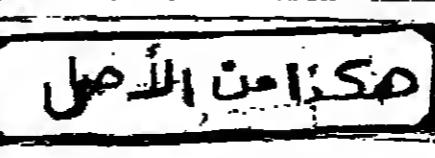
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Bush and Dole Warily Circling to Define New Relationship

By Maureen Dowd
New York Times Service

WASHINGTON — In Bangkok, in Singapore and in Jakarta, the word reached Bob Dole.

"I heard about the stories suggesting that George Bush's real enemy was Bob Dole, not Mikhail Gorbachev," said Mr. Dole, the Republican senator from Kansas who led a congressional delegation to Asia earlier this month.

"I heard about Bush aides being quoted saying that Bush has total disdain for Dole, for anyone who knows Dole and for anyone who works for Dole."

But Bob Dole is back now, and George Bush has got him. Or has he?

The president-elect had lunch with his old rival on Monday at his White House office. He will meet with Mr. Dole again Tuesday morning when he sees the Republican Senate leadership.

"We're going to have a cooperative relationship," Mr. Bush said after the luncheon.

"The election is over and we both have obligations," Mr. Dole said. "Certainly mine is to help him become a great president and I intend to do that."

"We understand that when the election is over it's over," Mr. Dole added. "So we're going to go to work."

Capitol Hill is watching to see how Mr. Bush, who has made a good start in winning respect in Congress, moves to soothe his complex relationship with the Senate minority leader, who had tried to wrest the Republican presidential nomination from him.

For Mr. Bush, the support of Mr. Dole as his point man in the Senate is crucial if he wants to push his program through a Congress controlled by the Democrats.

"It's Bush's biggest problem," said Representative Tony Coelho of California, the Democratic whip. "You can't come to the Democrats to seek a resolution of problems without making some accommodation with your Republican leader."

In an election night television interview, and critical remarks by Mr. Dole about Mr. Bush and his running mate, Senator Dan Quayle, and it added to intense speculation in Washington about their relationship.

It is felt that Mr. Bush, as the victor, must reach out and try to make Mr. Dole feel that he is an important part of the Bush

team, a trusted consultant on appointments and agendas.

"If Bush and his people handle it stupidly," a leading Democratic legislator said, "it could end up being a real poisoning spot."

The two men, as Mr. Dole puts it "go back away."

"We're different," the senator said in an interview over the weekend. "We have different backgrounds."

The two Republicans — one the son of a Midwestern grain elevator operator and the other the son of an affluent Eastern senator — have circled each other for decades in a rivalry marked by personal animosity and class tension.

The Kansan, 65, has had disdain for the vice president, 64, considering him a rich prep school boy who has led a charmed life of appointive offices, while he had to overcome poverty and a severe war injury to win a series of elections.

When predictions are made about the course of this relationship, the betting is

pretty much uniform that the two men will work out an effective partnership.

Their friends say they are both practical, and beyond the personal tensions, share strikingly similar political views.

But many also predict that with one need to curb his biting tongue for the sake of a future presidential image, Mr. Dole may occasionally be outspoken and impatient with the administration if he feels things are being done in an inept and ineffective way.

Report on Commerce Post

Mr. Bush plans to name a Houston financier, Robert A. Moshbacher Sr., as commerce secretary, according to transition aides. The New York Times reported. The announcement could come as early as this week, they said.

Mr. Moshbacher, a close supporter of Mr. Bush, emerged from the same world of Texas oil and Republican politics that outlasted Mr. Bush's own career. Mr. Moshbacher, 61, was the finance chairman of Mr. Bush's presidential campaign.



NORTH CAROLINA TORNADOES — At least five persons were killed Monday as storms ripped through Raleigh damaging stores, homes and churches and apartment buildings and injuring at least 119 others, authorities said. Fifteen storms were reported.

'I heard about the stories suggesting that George Bush's real enemy was Bob Dole, not Mikhail Gorbachev.'

Senator Bob Dole, erstwhile Bush rival

For Cocaine Injectors, The Risk of AIDS Soars

By Bruce Lambert
New York Times Service

NEW YORK — The AIDS virus is spreading even faster among people who inject cocaine than among heroin users, according to new research conducted in San Francisco and New York City.

The new research, not yet published in scientific journals, confirms the fears of experts on AIDS that cocaine injectors would become a major route of transmission of the virus. It has encouraged health officials to seek new ways to block the spread of the disease through cocaine addicts.

A related problem is that since methadone blocks the effects of heroin, addicts in methadone programs sometimes turn to injecting cocaine. This practice has been detected in San Francisco.

Warning drug users about the AIDS risk in cocaine injection is becoming a priority for prevention programs.

"At first, cocaine injectors didn't really think they were at risk for AIDS, because all the talk was about heroin," said Dennis P. Whalen, deputy director of New York state's Division for Substance Abuse Services. "But now we make it very clear in our leaflets and street education that they are."

CUTS: Carlucci Says Flat Budget Would Require Troop Cuts Overseas

(Continued from Page 1)

national security adviser, Brent Scowcroft, include the transfer of military units from active to reserve status and cutbacks in aircraft carrier operations far from U.S. territory.

In a review of U.S. military policy, Mr. Scowcroft said it had become clear to experts that the incoming Bush administration would have to cut at least \$300 billion from the Reagan administration's military spending plans for 1990 to 1994 as part of a broad effort to reduce the federal deficit.

Mr. Scowcroft recommended that budget decisions be preceded by a broad review of U.S. national security strategy to establish an "overall strategic concept" to guide the cuts. He also cautioned that some critical decisions must be made in the "early days" of the Bush presidency.

Mr. Scowcroft said in his analysis that decisions needed to be made early in the administration to deal

with the "mismatch between the limited resources available for defense" and the ambitious plans that the Reagan administration is expected to leave behind.

One possibility, he wrote, would be to transfer some military units from active status to reserve status.

A second approach, he wrote, would be to cut back on aircraft carrier operations and keep the carriers closer to U.S. territory.

If this were done, the United States would rely more on small ships or submarines that would carry conventionally armed cruise missiles, Mr. Scowcroft wrote.

A third approach suggested by Mr. Scowcroft would be to develop drones and use those and cruise missiles to conduct some military missions, like reconnaissance.

Mr. Scowcroft also suggested that money could be saved by making increasingly use of electronic

simulation of conflicts for training instead of moving widely dispersed military units.

If military spending is held at its current level and no effort is made to keep pace with inflation this would force the "prompt cancellation of many programs as well as substantial and immediate reductions in the size of the armed forces and major degradations in readiness," Mr. Scowcroft wrote.

He said the most important strategic weapons decision facing Mr. Bush is whether to develop and deploy a new mobile land-based missile, like the Midgetman missile or the MX in "shell game" deployment in which it would be shuttled between a number of shelters.

If a decision to deploy a new mobile missile is made, the United States would have less need for sea-launched cruise missiles armed with nuclear warheads and could agree to sharply limit or ban them.

PILOTS: Human Factor in Safety

(Continued from Page 1)

tion in 1983 after a rash of pilot-caused crashes in the late 1970s. But the project was never funded. Research was nearly at a standstill until the Detroit accident, in which 156 people died, jolted the federal agency into action. Last month, the agency launched a project with the airlines to refine training procedures. But that program is still at least a year from becoming final.

Among many research experiments, the government's aviation scientists invested five years in the early 1980s trying to concoct a fire-resistant jet fuel to protect passengers from fueling to death in a crash. But the Federal Aviation Agency, which employs 49,000 people, still does not employ a human-factors specialist with proper academic credentials.

"There are very few people trained in the human side of it," said Joseph Tymoczyn, a psychologist who studies human error for the Boeing Co.'s cockpit design engineers. "When you go to human factors meetings, the vast majority of the people have no degree in psychology. If a guy without an aerodynamics degree showed up at an engineering meeting, he'd be laughed out of the place."

"Everybody thinks he's an expert in human factors. The general assumption is, well, I'm a human being, therefore I know human factors. We're hiring people with a Ph.D. who specialize in human behavior and they're talking to people at the FAA with no training in it whatsoever. We see that as a big problem."

Dan Beaudette, the aviation administration's deputy in charge of flight standards, concedes that the agency has been slow to move into this arena. But he said the government's pace merely reflects a larger

inertia that extends throughout the industry.

"Many people are uneasy with human factors," Mr. Beaudette said. "It questions things like judgment and leadership in the cockpit. Results are difficult to measure."

In the last five years, hiring and training at major airlines has accelerated. Airlines are collectively hiring an average of 10,000 pilots a year, 10 times the number of pilots hired annually in the previous two decades. For the first time, experience levels of the newly hired are falling.

To a large degree, the effort to minimize human error has resulted in fully automated cockpits. The pilot is a manager now, monitoring on-board computers and switches and gauges. He is no longer the captain of his ship, he has become the driver of an air bus.

But Earl Wiener, a University of Miami professor who specializes in human performance, has long argued that automation in the cockpit has bred new kinds of human performance problems. Complacency, for one. Boredom, for another.

West German Mink Stolen

LUDWIGSBURG, West Germany — Animal rights campaigners stole 600 mink worth 120,000 Deutsche marks (\$70,000) from a breeding farm over the weekend, the police said Monday.

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Herald Tribune

Are Buyouts So Bad?

As melodrama, the big doings at RJR Nabisco Inc. are proving irresistible even to people who do not care a fig for the company's business.

Do such mammoth leveraged buyouts serve any real purpose beyond enriching the bidders and Wall Street middlemen? Some serious analysts, like the Federal Reserve chairman, Alan Greenspan, worry that buyouts like the RJR Nabisco deal will adversely affect the U.S. economy.

When successful companies are acquired, it is rarely in the interest of the new owners to fire the employees. The employees of failing businesses are always vulnerable.

Better Health Per Dollar

Americans know that they spend more on health care than the people in any other country — more not only in dollars but in proportion of income.

restructured. This means that bonds will still be attractive to many investors — and provide a way for companies to raise capital.

That doesn't address Chairman Greenspan's concern. Won't the mountain of private debt limit the government's discretion to contain inflation or to protect the dollar by raising interest rates?

Even so, couldn't all the energy and talent going into deal-making be channeled to more constructive purposes?

—THE NEW YORK TIMES.

Other Comment

The Visa Flap Hurts America

The reaction of moderate Arab leaders to the denial of a U.S. visa to Yasser Arafat was to propose transferring the UN debate to Geneva.

Food Insecurity in the '90s

It is time to rethink international grain reserve policies. Two or more consecutive drought-reduced harvests could wipe out normal reserves.

Barring Arafat: A Foolishly Risky Move

By Flora Lewis

AMMAN, Jordan — The decision to refuse a U.S. visa to the PLO leader Yasser Arafat is a new York has the makings of a broad foreign policy crisis.

It apparently was a personal decision by Secretary of State George Shultz, against the advice of career diplomats and without reference to President Reagan or President-elect Bush.

Now, Mr. Arafat's argument that the United States is blocking the way to a Mideast peace effort has been strengthened.

New York as well as its office in Washington. That would have made State choose between breaking the UN treaty and breaking U.S. law.

Arafat's argument that the United States is blocking the way to a Mideast peace effort has been strengthened.

did not want to provoke them, particularly in this period when the executive seems out to lunch for the transition.

Some politicians and Reagan officials might have enjoyed that a few years ago when UN-bashing was in fashion. But this is another era.

The Case for Helping the Soviets Out of Afghanistan

By Graham E. Fuller

WASHINGTON — The United States has two key interests in Southwest Asia: Getting Soviet troops out of Afghanistan and keeping Pakistan stable.

Pakistan does not need a Lebanon on its border. With the election of its first democratic government in 11 years, Pakistan has its best chance in decades for political and economic growth.

For me, having watched tanks roll past the U.S. Embassy on a sunny April day in 1978 to fire on the president's palace and bring the Afghan Communist Party to power, the beginning of the Soviet withdrawal from Afghanistan felt a substantial reappraisal of Mikhail Gorbachev's foreign policy.

A decision to stay in Afghanistan would have serious repercussions at home as well. Glasnost has afforded the Soviet press nearly two years of discussion about the mistakes of Afghanistan and the social cost to those soldiers who went to fulfill their international obligations.

as those that are showing encouraging signs in Angola and Cambodia.

One of the messages is to the United States: Stop arming the mujahidin. This is deemed to be a violation of the Geneva accords.

There is virtue in seeing what could be done by all interested parties, including the United Nations, to leave a new, non-Communist transitional government in power.

with a sometimes difficult neighbor. Kabul has always been sympathetic to the idea of Pan-Islamism — the reunification of the northwestern corner of Pakistan with Afghanistan.

Mr. Bush's rolling thunder approach to appointments obscure the reality that Mr. Reagan's men are still in place, making decisions, and painfully aware that Mr. Bush feels little loyalty to his predecessor's cronies.

Mr. Todman correctly saw this bit of reverse racism as a step to U.S. blacks and an effort to defuse pressure for sanctions. The redistribution involved in his forced resignation now is another example of George Shultz's long failure to protect the Foreign Service from hacks and extremists in the White House and on Capitol Hill.

Even worse is Mr. Reagan's apparent flirtation with pardoning Oliver North and John Poindexter, who are inconveniently under indictment for their roles in the Iran-contra affair.

government in power. This would help avoid the humiliation the Soviets fear in the last days — a break they did not give the United States in Vietnam.

The writer, former vice chairman of the National Intelligence Council at the Rand Corporation. He contributed this to The Washington Post.

After a Fast Start, the Bush Transition Faces Pitfalls

By Jim Hoagland

PARIS — The steady drumroll of cabinet appointments being tapped in Washington sounds the message that this transition is about competence, not ideology.

But there are pitfalls in this particular changeover that need more public discussion and private reassessment by Mr. Bush and by President Reagan, who have somewhat different interests.

Three areas of concern stand out in this transition: 1. Messy matters. Mr. Reagan's final days are taking on an air of pettiness and pusillanimity as the Outgroup hastens to make decisions that had been left on hold lest they affect the election.

Mr. Bush's rolling thunder approach to appointments obscure the reality that Mr. Reagan's men are still in place, making decisions, and painfully aware that Mr. Bush feels little loyalty to his predecessor's cronies.

Stock markets and currency changes are already punishing Mr. Bush for what they perceive to be his abrupt failure — in the first 15 minutes after CBS made him president — to slash the budget deficit by \$50 billion or more, and to have Martin (Drive That Dollar Down) Feldstein publicly asserted.

The suspicious involving both Mr. Bush and Mr. Reagan is too deep for either of them to be able to play Gerald Ford to Colonel North's Richard Nixon — will someone in the White House please say to Mr. Reagan, "Mr. President, you're no Gerald Ford?"

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On Forging A Policy Of Survival

By Tom Wicker

NEW YORK — In Brazil's great undeveloped Amazon basin, the national government spent \$600 million in tax credits to subsidize the development from 1965 to 1983.

At first, the land reclaimed from tropical rain forest supported one animal per hectare (about 2.5 acres).

But neither the ranchers nor the government invested in weed control or soil fertility. So, within five years, the stocking rate fell to one animal on four hectares.

Thus, Brazil's "development" efforts worsened that nation's economic plight and hindered its ability to repay its huge international debt.

For many such reasons, global environmental problems are a major threat to U.S. security, and to the security of mankind.

The world's resources now support more than five billion people. The United Nations projects, however, that world population will exceed 8 billion by 2025.

More and more land will become desert and the atmosphere less breathable; millions will move to unmanageably crowded urban areas; poverty and starvation will inexorably stalk their miserable streets.

On this vital matter, Mr. Bush's campaign positions are not encouraging; but the growth of the world's population is a crisis he cannot responsibly evade.

Everywhere he looks, if he bothers to see, he will find such questions intruding upon, even overriding, the usual concerns of government.

Finally, a better life for the millions in the undeveloped world is in the interests of U.S. security, and is a target for professional U.S. idealism.

Since global problems requiring global solutions will have to be addressed at the presidential and cabinet level, the appointment of James Baker as secretary of state could be crucial.

As Treasury secretary, he sometimes mitigated the international banks' tendencies to support environmentally destructive Third World projects, such as Amazonian cattle ranches.

The Washington Post.

100, 75 AND 50 YEARS AGO

1888: The Irish Question

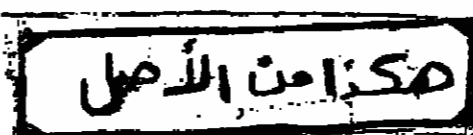
LONDON — Mr. Gladstone, in a letter to a correspondent, says that he has always desired a settlement of the Irish question by the Tories.

1938: U.S.-Filipino Pact

WASHINGTON — President Franklin Roosevelt today [Nov. 28] formally approved a report of a Filipino-American joint committee recommending full and final independence for the Philippines July 4, 1946, as now scheduled, but providing for continuance of "mutually beneficial economic arrangements" until 1961.

Rabago, the Military Governor of the State of Tamaulipas, evacuated the town with the garrison, falling back on Tula in the direction of Tampico, which is believed to be the next objective of the rebels.

WASHINGTON — President Franklin Roosevelt today [Nov. 28] formally approved a report of a Filipino-American joint committee recommending full and final independence for the Philippines July 4, 1946, as now scheduled, but providing for continuance of "mutually beneficial economic arrangements" until 1961.



INTERNATIONAL RECRUITMENT

Seller's Market for Top Executives with Special Skills

While unemployment still dominates the lower end of the scale, skilled labor and top executive managers are finding their services in greater demand, thanks to a general skills mismatch, fewer graduates, and increased employment opportunities from companies looking for an international dimension.

At the senior executive level it is becoming a seller's market with executives able to take their time and wait for the right combination of offer and opportunity from compa-

Competitive edge will be in manufacturing sector

nies spurred into action by 1992 and other world markets, to lure them away. That demand, in a market that is already thriving, is expected to continue growing, particularly in international management positions and in the traditionally unattractive blue collar industry management sphere.

"Employment Outlook," published in September by the Paris-based Organization for Economic Cooperation and Development (OECD), predicted shortages of skilled labor following the 1.6 percent employment growth in the 24-nation organization. But the report pointed out that the unemployed were not filling the job vacancies "effectively."

Donald McBaine, administrator of the Manpower Policies Division of the OECD, says that employment trends should move only marginally upward through 1989, but the skill shortages already emerging in several sectors will become more pronounced.

"We've got a surplus of people for jobs on the global scale but, at the same time, shortages in particular skill fields are being reported by large numbers of member countries," he said.

Wouter van Ginneken, editor of the Geneva-based International Labor Office's *World Labour Review*,

International recruitment faces a dynamic growth period as headhunting agencies increasingly go on safari for prized species of technical specialists and executives to lead companies into the 1990s.

says these shortages mean commercial companies and even government agencies will have management recruiters scrambling to recruit people with technical and language skills.

"For instance, West Germany is basically the biggest industrial producer in Europe," he said. "Their labor force is going to decline so I expect quite a few people will move there. But there will also be a relocation of manufacturing activities to low income countries such as Portugal and Spain."

Mr. van Ginneken also says that governments need to encourage some of the two-way mobility already seen in Japanese public and private sector finance fields, where executives switch back and forth, if they want to run efficient and successful services.

"Governments will have to raise salaries if they want to attract better and more businesslike people in other areas like health and environment, which have been dominated by more socially oriented people," he said. "In the future you will need more business-oriented people to run and manage what is basically huge sums of money and amounts of people."

Mike Johnson, editor of *International Management* magazine, foresees an upward spiral of executive wages, benefits and recruitment business because of the lack of foresight on the part of educators and planners.

"I see a lot of very costly on-the-job training ahead," he said. "On-the-job training is the only answer when you are facing a shortage of the magnitude Europe is going to face. Olivetti has said that within a couple of years its own needs for management trainee hires will be such that they could absorb the ex-

cess output of European business schools alone. That's a graphic example."

Mr. Johnson also warned of continuing problems on the horizon for blue collar industries as they struggle to attract business graduates.

"There has been a serious gap, probably the most serious gap in the 'dirty end' of the business — that is, in the manufacturing industry," he said. "The irony is that this is the crucial end of the business for most companies. That's where the progress is going to be made and where the competitive edge is going to be developed. Business school graduates tend to gravitate into finance and consulting because these are still regarded by young people as the more elegant and noble pursuits, not to mention the best paid."

But Mr. Johnson also observes a change in attitude in educators and in some up-and-coming management graduates.

"There is some progress being made to shift the direction," he said. "I know there is a movement at Harvard to upgrade the status of the manufacturing function to a level that will attract the best minds. Graduates are also starting to recognize that there is a certain lack of stability and tenure in the financial market."

Robert Baird, editor of the British headhunting annual *Executive Grapevine* also sees an increase in executive search (a word of mouth, no advertising, "headhunting" operation) and executive recruitment/selection (recruitment advertising and selection) business. In the United Kingdom, he estimates, about 150 firms are engaged in search and a further 700 in selection.

"We see a continual movement by companies to using a third party for their senior recruitment," he

said. "We estimate fees earned in third party recruitment at £500 million last year and advertising costs at another £500 million. So we have an industry worth £1 billion just in U.K. terms."

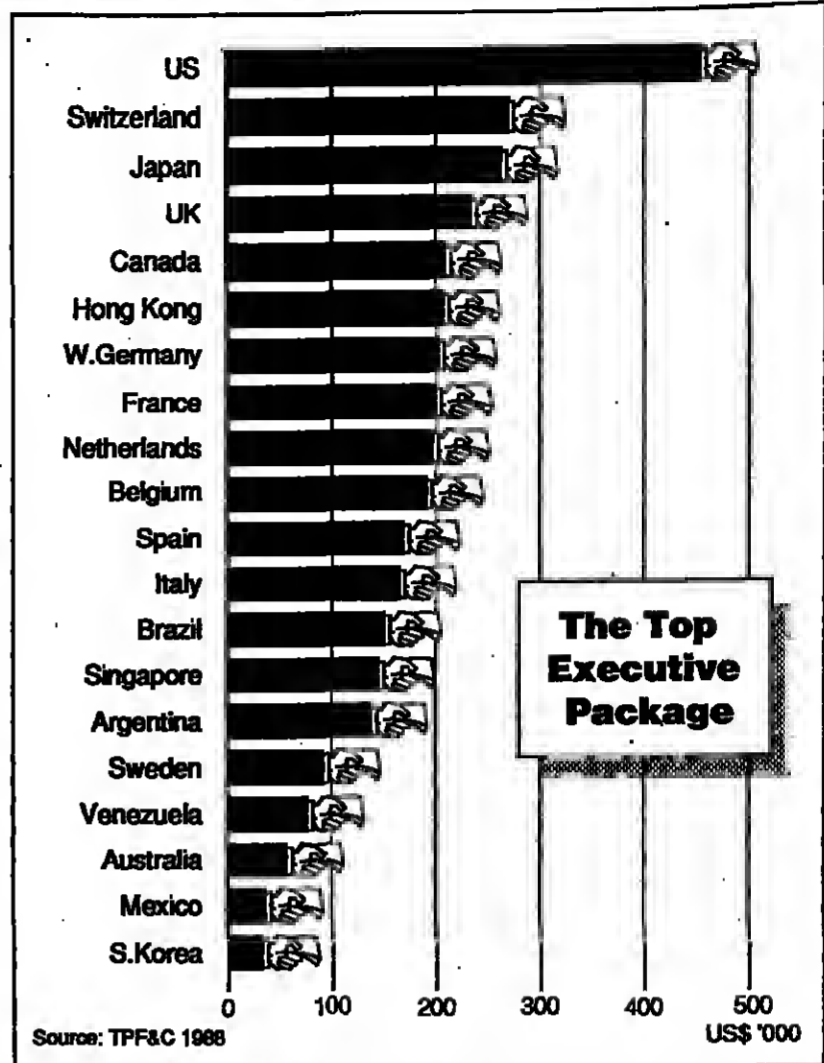
And Mr. Baird says the doors may open for further recruitment in the emerging Soviet, Chinese and 'Pacific Rim' markets.

"Three major areas — Europe, North America and certain countries in the Middle East — remain targets for most companies," he said. "But there is beginning to be interest from Tokyo as the old cradle-to-the-grave family business scenario breaks down. Now every plane that lands has another executive search consultant (in Japan they are known as scout men) on board. There are some search firms who have conducted searches in China. And what you're also got to bear in mind is that Pravda has begun to carry recruitment advertising in a small way for the first time ever. It won't explode overnight but a trend may develop."

However, Mr. Baird says, the business of obtaining an executive or skilled scalp will become increasingly tough. "It's no longer the mobility of the manager's spouse, be it a he or she," he said. "The manager's spouse may, at the top level, also have a career and may not wish to move at that point. Additionally, more and more managers are beginning to question the whole need for mobility vis-a-vis the quality of life."

The consequence is that pay and incentives will increase as companies attempt to corner their share of what is increasingly being seen as a "commodity" of skilled and educated workers.

"There is a good example in the city of Norwich in England where the Norwich Union Insurance Company has taken every single school leaver from the Sixth Form level into their company," he said. "We're going to see prices shoot up, never mind for the top executives,



Source: TPF&C 1988

At the chief executive level, total remuneration includes perquisites and — in Canada, France, Switzerland, the U.K. and the U.S. — long-term incentives. Employer-provided benefits significantly enhance the value of the package in most European countries. Despite these disparities, the global pecking order is clear. Indeed, the cash component of a U.S. chief executive's package is equal to the total remuneration of his U.K. counterpart.

but for people lower down, too, as skill shortages begin to take effect."

Target executives, meanwhile, can look forward to more discreet telephone calls and an increasing menu of performance-related payments and alternative perks as companies vie more intensely for executive talents. And such is the success of both the executive search and recruitment industries that increas-

ing numbers of headhunters are becoming targets of their own expanding trade.

"It's a very skillful job and a good operator in this business is a valuable commodity," says Hoggett-Bowers' Mr. Adderley. "The consequence is that more people are headhunting the headhunters."

Sean Kelly

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Business Schools: Investing in a Career

INSEAD, the Fontainebleau-based European Institute of Business Administration, runs Europe's oldest and largest MBA program. Founded in 1958, it currently attracts over 400 new students a year from around the world in pursuit of the institute's coveted MBA diploma, which helps assure them a place in the upper echelons of international management.

José Larguier helped found the MBA Institute in Paris in 1982 to provide similar training. "My ambition was to create international managers, so we take in students after their Baccalaureat and train them in readiness for MBA studies in leading American colleges such as Harvard, Wharton, MIT, Cornell or Dartmouth," comments Mr. Larguier, noting that the MBA Institute enrolls 250 students a year, and 40 percent of its graduates

subsequently enter the top ten American business schools. In addition to students just beginning their careers, many experienced executives are willing to follow a busy working week with a sixth, 12-hour working day in order to further their professional studies. At BSL, the Business School of Lausanne, for example, the average age of those attending the intensive MBA course is 32, and the students regularly fly in from all over

Europe to take advantage of this advanced training.

John Hobbs, one of the school's founders, explains BSL's appeal: "We emphasize practice rather than theory, our lecturers are all prominent businessmen themselves and with a staff ratio of 30 lecturers to 20 students we can focus on in-depth case studies."

The practical appeal of continued education is perhaps best underlined by the diplomats and corporate executives — including the presidents of nine Fortune 500 companies — that attend the BSA's doctoral studies program, filing assignments by fax to complete their studies over a two-year period.

Offering bachelors and masters degrees, the European University offers students the opportunity to further their international experience by moving from branch to branch, term by term.

The expense? Two semesters at the European University will cost a student \$5,000. The activity? In addition to travel and training, the University emphasizes linguistic skills, allowing students to choose among English, Dutch, French, Spanish, Italian, Japanese and Chinese. And the potential return on this investment? Almost limitless, as another ambitious MBA centers the ranks of international management.

Steven Bartlett

"The most important thing is practice; everything we do is based on that principle," agrees Professor Xavier Nieberding of the European University, which is a member of the American Assembly of Collegiate Schools of Business, was started in 1977 in Antwerp and now has branches in Brussels, Versailles, Toulouse, Montreux, Geneva, Barcelona and Abidjan.

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INTERNATIONAL RECRUITMENT

Headhunting: A 50-year-old Business Goes International

The basic procedures of executive search — or headhunting, as it is better known — have changed little since it first emerged in the United States some 50 years ago. The headhunter identifies the client's needs, focuses on as many as 50 to 100 candidates with the appropriate skills, meets with 15 to 20 candidates and tests and presents from three to six candidates to the client. Target candidates ideally include

Executive search grew out of competition within the American clothing trade. But the business really took flight in the postwar general management shortage. Today the business is international and has an annual turnover estimated in billions of dollars.

and board executives realize that any management shortsightedness can cost millions of dollars. "The companies are also more and more open in terms of their willingness to accept women, especially in the new areas — the service industries," Mr. Hugla says. "But recruiting retired executives is not

watchword of executive search companies, Mr. Hugla adds that there is increased communication between the hunter and the hunted. "People are less scared to come to us and less scared to send in a résumé, which they wouldn't do some years ago," he said. "In Japan, for instance, there used to be no turnover. Now things are moving. When we call on Japanese firms, it's not unusual for the managers to leave us their résumés. They are ready to move."

the executive's first-year salary, and he claims to hunt in the most exclusive parts of the executive jungle. His 16 searches since last March, he says, have netted him an average of \$80,000 (\$140,000 each in fees.

Executives more selective, agencies more global

executives already in the client's or headhunter's databanks because they have indicated an interest, along with executives who may not have shown an interest but have been identified by the headhunter. Often these are executives who have been in their jobs for two to four years and are prone to make a move.

A headhunter typically takes 30 to 40 percent of the executive's first-year salary in fees (paid by the employer), but many companies charge a minimum fee of \$30,000 plus expenses.

Oliver Hugla, a Paris-based vice president of Korn/Ferry International, the world's largest executive search company, notes that his company has gained an increasing amount of business since it expanded its European operations. The company, founded in 1969 in Los Angeles, now has 275 executive search consultants in 40 offices in 20 countries and does 2,000 searches a year, yielding turnover of nearly \$80 million.



Oliver Hugla, associate director, Korn/Ferry International.

John Stork, chairman of John Stork International, says both the executives and the headhunters are becoming more sophisticated. "The days are long gone when people would never talk to an executive searcher," he says. "But executives are more aware that they can be selective. They listen now but they won't be as quick to make a move. And the consultants are younger and far more attuned to the profession. It's certainly no longer a job for a retired personnel director. Few of them are very successful."

Mr. Owen-Browne, who is British, describes the role of the headhunter as "a casting director looking to bring a leading person into a starring role." He is adamant that executives must not be "bought," and, according to industry rumor, has even persuaded executives to accept a drop in salary to gain the immediate challenge and future opportunity of a new job.

Traditional, discreet, word-of-mouth methods of contacting potential "heads" are still employed by the leading headhunters. Contact may be made through the home or through the office, and the name of the client is usually withheld until the headhunter has established that the executive is a serious contender.

Peter Adderley, the managing director of Hoggett Bowers, a combined executive search and selection (both headhunting and executive position advertising) company, believes agencies must increasingly think on a global scale.

"We are requested by clients to go more down the line into middle management for very specific positions where there is scarcity of quality people," he says. "There, of course, because of the supply and demand situation, just passing ads was useless. It's particularly the case in the banking and financial services community."

"in" yet. It's a pity because there are a lot of people with a lot of experience who could bring something to companies. But because there has been such a drastic and rapid change, those people are seen as obsolete."

One of the most successful headhunters in the business is Kim Owen-Browne, whose solo practice goes against the grain of the international, multi-office approach adopted by many of his competitors. His work is strictly by word-of-mouth, underscored by the fact that he has never advertised his talents since leaving his world marketing directorship at Plessey some 16 years ago. His fee, like that of most other headhunters, is about one third of

"If you're going to do well, then you've got to look to taking the person to the next step up," he says. "I don't believe in 'buying' anybody. You've got to sell them the opportunity and challenge."

Mr. Stork agrees, and points out that incentives such as split-currency salaries, cars and even the heavily touted performance-related bonus are increasingly secondary in many cases.

"They're becoming very selective about who they will work for," he says of executives. "It's not the money. We've recently done a survey of attitudes. While money is important and always in the top 10 of any list, what really turns people on is the sense of achievement and opportunity to do something — to contribute to the development of that business."

Sean Kelly

Corporate Cultures Adjust to Global Environment


"It was an eye-opener in every way," says Eduardo Casals, director of Training and Development in Europe for Motorola, "but especially we admired the Japanese company spirit."

After years of fighting Japanese competition, senior management at Motorola, the U.S. maker of semiconductors, accepted an invitation last year to visit the headquarters of five of Japan's leading manufacturers.

pushing home-grown companies to sponsor more language training.

As business becomes increasingly global, European companies are also using cross-cultural training seminars for their management teams posted outside Europe in order to avoid expensive failures adapting to another country's culture and business credo.

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In Europe, the result of this visit has been the launching of Motorola's "Total Customer Satisfaction Program." Under this program, 144 top managers and around 9,000 other company employees will participate in an ongoing series of seminars scheduled to continue until 1993. The goal is to create "a totally market-driven customer-oriented company culture," by motivating everyone, from the boss to the salesman on the road, the telephone operator and the office boy.

to the Danish consultancy group, Time Manager International (TMI), now in 38 countries.

At TMI, they call it the moment of truth — that point of contact between the customer and the company employee, at whatever level, when the right or wrong impression gets across. Through thousands upon thousands of transitory contacts, a company's reputation is made or marred. TMI generally works with classes of 100 employees, through role playing and "Moliere" scenarios, to help them lose complexes and participate fully in the emergence of a new corporate awareness.

Olivetti, devised by the flamboyant Italian entrepreneur, Carlo de Benedetti. The company advertised last fall in 19 countries, received 4,500 applications and has so far hired 120 young graduates who will spend two years shuttling between Olivetti's training centers outside London and in northern Italy. Of the chosen few, 70 percent are Europeans and 25 percent are women.

Franco d'Egidio, managing director of the Italian TMI affiliate, Summit, explains that TMI has developed a European approach to changing corporate behavior, more sophisticated than the American one, more realistic for European society than the Japanese. It derives from the Scandinavian business culture that produced such multinationals as Ericsson, Electrolux, Volvo and Ikea.



Claude Odier of YSL Parfums.

Motorola's tailor-made program is a special case. But it demonstrates a trend. In mid-November, over 350 company managers and human resource (HR) directors met in Rome under the auspices of Hay Consultants to consider the impact an integrated European market will have on all areas of human resources.

At Yves Saint Laurent Parfums headquarters in Paris, Claude Odier, international human resources director, has given top priority to recruiting and training staff for export work particularly in the Far East. "We see our business in the Far East enjoying considerable growth in the next three years," he says. Mr. Odier is currently working on new human resource systems for worldwide implementation to cover job description, job evaluation and performance appraisal.

"We want to create the spirit of a new generation, outside cultural differences and antagonisms," says Mr. Jean-Marie Melery, management recruitment director. Similar two-year training programs have been used by the Japanese for years, but the multicultural dimension of Olivetti's experiment makes it unique.

On the Continent, the Euromanager has already emerged. For example, the German group, Henkel, now expects that managers in the top two tiers have at least two years experience managing an overseas affiliate. But most U.K. managers still lack sufficient language skills to qualify as Euromanagers. ICI is one of the few companies with a foreign language unit. The Confederation of British Industry is now

In the United Kingdom, the stream of privatizations under Prime Minister Thatcher has provided a testing ground for human resource initiatives. The Hay group, specialists in human resource development and pay structures, have been involved, after the fact, with a majority of the privatized companies. One third of the 110 U.K. staff has been working on issues relating to privatization since it all began.

In recent years, most multinationals have increased their personnel training budgets, and HR departments have acquired greater status and power. While new ways of recruiting and training young executives are being implemented, traditional training programs are being stepped up. In Europe, the goal is to create the Euromanager — multilingual, multicultural and multifaceted.

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"When you're dealing with people who have lived in a particular type of environment for some time, it's not the smart thing to move them too far too fast," says Graeme Laws, a director of Hay Management Consultants Limited in London. Pay standards are always the most pressing problem, to assure a change from civil service mentalities. But pay-by-performance would clearly alienate too many employees, he explains. Thus, the salary area continues to present difficulties requiring new approaches and solutions.

The most elaborate recruiting effort to date is the \$20 million "No Frontiers" program at

British Airways, however, has proved a prime example of a privatized group with a dynamic new image. Much credit for the turnaround goes

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A Solemn Tribute to Stalin's Victims

By Felicity Barringer
New York Times Service

MOSCOW — The exhibit was billed as the focus of "a week of conscience" to remember the victims of Stalin's repressions. But seven days stretched to eight and still the crowds clamored to take part in the mourning that had waited 50 years to find its voice.

They filed through the halls at the House of Culture of the Moscow Electric Light Factory, carrying papers long since yellowed, tearing at the brittle folds, saying their parents and uncles and grandparents had been arrested, had died and, sometimes, had been posthumously absolved.

They came, 35,000 in nine days, to stare at a bulletin board filled with aging photographs and spare facts: date of birth, profession, date of arrest, date of death. And in their silent, cathartic communion they seemed to breathe into the immortality that is memory into that field of forgotten faces.

The exhibit, which closed Sunday, became a magnet for those curious about the purges of the Stalin era, in which between 10 million and 20 million people died, and for their survivors.

"I just wrote, 'Who knew this person?'" Galina Astapova said on Sunday as she straightened her small, trim frame and looked down.

In the book where visitors were asked to record the facts of their relatives' arrests or disappearances she had written her grandfather's name, Anisim A. Parked, and his last job as a Communist Party organizer in the Amur region in Siberia.

"My mother didn't live to see this," she said, gesturing toward

the bulletin board. "She was called a 'daughter of an enemy of the people' in her childhood. She couldn't study, couldn't find a place to work. I'm his granddaughter. I must do this."

Mrs. Astapova gestured toward her 10-year-old daughter, Marina, drawing the child close. "And she must see this."

During Mrs. Astapova's childhood in the Brezhnev years, relatives who went to the camps were a shameful family secret.

Even though Mikhail S. Gorbachev's policy of *glasnost* has allowed public discussion of the purges over the last 18 months, the exhibit did what articles could not: it allowed the many lonely silences to end, together, in open anger and open sorrow.

Downstairs, at the entrance to the exhibit, stood a wheelbarrow for donations for the construction of a memorial to the victims.

According to Alexander I. Vainshteyn, director of the House of Culture, more than 50,000 rubles (\$80,000) had been thrown into the wheelbarrow with week's end.

The exhibit was the most public vessel for a flood of re-examination of a period of Soviet life whose very dates are a matter of political argument.

While Stalin's role as chief vil-

In a blue-crayoned scrawl above the scores of other notices, next to a sepia picture of a man with two children, was written: "Father, I did not betray you."

lains is assured, some people make historical arguments that take the purges back beyond 1924, still an inviolable boundary.

If the people killed by security forces before that time were victims of the repressions, then the man responsible would have to be Lenin, who remains virtually beyond criticism here.

"They are having trouble even agreeing what the inscription on

the memorial should say," said a cultural figure familiar with the effort. "To Stalin's victims? To the victims of repression? To those innocents who perished? The arguments go on all night."

A group called Memorial, which is directing the project, has united people on both sides of the increasingly gray line that divides respectable Soviet liberals from still-disreputable dissidents.

Memorial is supported by the liberal publications Ogniyok and Moscov News, which sponsored the exhibit, and such establishment figures as the playwright Mikhail Shatrov and the historian Yuri Afanasyev. But the rank-and-file workers on the project include such longtime dissidents as Larisa Bogoraz.

Among the tasks of the workers is a grim mountain of clerical work, recording the names and vital statistics of those who perished.

In poignantly brief notices, the Memorial bulletin board served as a collection box for such information. One of the scores of notices read: "Who saw my father on the last days before his execution? Juk Pyotr Petrovich. Arrested, Moscow, Oct. 8, 1937."

In a blue-crayoned scrawl above the scores of other notices, next to a sepia picture of a man with two children, was written: "Father, I did not betray you."

Moscow News, which published a dozen articles on the repression, included an interview with Grigory Niyazov, an executioner from Omsk.

Describing how a truck would take the victims to a hilltop a few miles from town, he said: "We'd shout, 'Come on out! Line up!' They get out, and in front of them there's a pit dug for them. They'd get out and start huddling closer together, and we'd immediately open fire."

"We'd go back to the camp," he said, "put our automatics back in the guard room and drink as much as we wanted — for free."

In the same issue, the historian Roy A. Medvedev gave the highest estimates yet published here of the number of those who perished or were imprisoned from the late 1920s on.

His figures, which are slightly below the best known Western estimates, add up to between nine million and 10 million dead by 1939.

Including the last spasm of arrests in the 1950s, Mr. Medvedev's estimates of those arrested, imprisoned, or exiled come to 17 to 19 million, in addition to the 10 million dead.

Likud Woos Labor With 2 Important Cabinet Jobs

The Associated Press

JERUSALEM — Leaders of Prime Minister Yitzhak Shamir's rightist Likud bloc gave him approval Monday to make a major concession of important cabinet posts to lure the rival Labor Party into a joint governing coalition, party leaders said.

The 10 Likud ministers decided to offer Labor the job of defense minister and either the finance or foreign portfolio, said Welfare Minister Moshe Katzav of Likud.

The party earlier had refused to concede more than the Defense Ministry to Labor. The turnaround came after Mr. Shamir's negotiations with seven smaller parties on forming a majority coalition foundered over conflicting demands for cabinet posts.

"We all believe we should build a government under our leadership, a government that will lead the country with our strength," Mr. Shamir told the ministers, according to a party statement.

"But because we are not only concerned with party interests but for the country's general welfare, from this standpoint a broad-based government is preferable."

Labor broke off talks with Likud last week after Likud refused to reach a power-sharing agreement.

But Mr. Katzav said after Monday's meeting of Likud leaders: "Now we can be more open. We are ready to give two ministries which we were previously not ready to."

The ministers made no decision about what foreign policy a joint government would have. Israeli news reports said Likud would insist that Foreign Minister Shimon Peres, the Labor leader, be barred from advocating an international Middle East peace conference.

Mr. Peres responded to Likud's decision by saying he would not join a government that ruled out peace initiatives or would not allow the opening of peace talks at an international conference.

He also promised American Jewish leaders at a meeting Monday that he would oppose controversial legislation that would outlaw non-Orthodox conversions to Judaism in Israel, the radio said.

Mr. Peres was to meet with Mr. Shamir and Defense Minister Yitzhak Rabin later Monday.



Zephania Mothopeng and his wife, Urbana, during a solemn moment at the news conference.

A Leading Black Nationalist Defies Both

Washington Post Service

SOWETO, South Africa — The president of the Pan Africanist Congress, Zephania Mothopeng, a leading black nationalist recently released from prison after serving 12 years for trying to overthrow the white government, challenged President Pieter W. Botha on Monday to release other political prisoners and to legalize all black liberation movements, including the outlawed African National Congress.

In what appeared to be a calculated affront to South Africa's emergency regulations, Mr. Mothopeng also called upon black students to "wisely" use school boycotts as a tactic for liberation. He urged the international community "not to be fooled by cosmetic change" and to intensify puni-

ty economic, cultural and sports sanctions against Pretoria.

Under the emergency regulations, to call for sanctions and boycotts, or to demand the release of political prisoners, is an offense punishable by up to 10 years in prison.

"The only thing that I am prepared to negotiate is the return of our land to its rightful owners," Mr. Mothopeng declared, as supporters raised clenched fists and chanted freedom slogans.

On the question of violence as a strategy for change, he said cautiously, "It is not for us to decide whether there will be violence or not, as we are living in a violent situation not of the making of the African people."

Salvador Civilians Forced to Take Sides

By Douglas Farah
Washington Post Service

SAN FRANCISCO GOTERA, El Salvador — Leftist rebels appear to have embarked on a campaign to force civilians in the countryside to take sides in the civil war here by assassinating local civilian government leaders and driving villagers who refuse to collaborate from their homes.

In the last two months, the rebel Farabundo Marti National Liberation Front, or FMLN, has assassinated the mayors of five towns in Morazan Province, which has been badly affected by the war, and one in San Vicente Province. The front has also threatened others in an effort to demonstrate that the U.S.-backed military is incapable of providing the protection necessary for the government to exercise political control.

And, in one of the largest such actions of the war, the rebels in recent weeks expelled 110 people

from their village in the north of Morazan, according to the refugees and relief workers.

More than 20 of those forced to leave the town of Nahuetique, near the Honduran border, spoke to reporters in San Francisco Gotera about the increase in military actions by the guerrillas in the area.

As fighting increases in El Salvador, life is becoming more dangerous for those who try to survive in war zones by not taking part in the nine-year-old civil war, which has left more than 60,000 dead and 500,000 displaced.

Those who refused either to flee the army sweeps or to join the rebels have survived by giving both sides what they wanted and committing themselves to no one.

Sources on both sides say this type of neutrality is no longer acceptable, and both sides are demanding allegiance because they view the next year as crucial in the struggle.

"The FMLN wants people to be seen to decide whose side they are

on," said one leftist activist who has worked with the rebels, "because they will step up the war across the country and feel the time for definition has come."

"There is not going to be the tolerance in areas where there has been a lot of political work for nonparticipants. They know this may cost them in terms of image, but they believe it is necessary to secure their rearguard as the war heats up."

The U.S.-backed military, devoting more time and energy to "psychological operations," is also pressuring civilians to "define" themselves. Those who do not, or who are suspected of favoring the guerrillas, can be killed or jailed or simply disappear.

A report by the New York-based human rights organization Americas Watch, issued in September, says the military was responsible for killing 52 civilians in the first six months of 1987, compared with 72 in all of 1988. The guerrillas are

accused of causing 27 deaths in the first six months of 1988, compared with 31 in all of 1987.

The guerrillas have long forced suspected informers to leave their homes, usually one or two at a time, and those who refused have been killed. But, according to the refugees and the military, the recent incident was the first mass expulsion of part of a village from areas largely controlled by the rebels.

Sources who know the liberation front well said it was not clear if the expulsions were official rebel policy or the work of a single commander. But the fact that the rebels' clandestine Radio Venceremos, the official voice of the front, announced the killing of the mayors indicated that it was a formal policy.

The mayors are usually warned to leave; if they do not, they are "brought to justice."

"We do not just kill them," a member of the front said. "We give them a chance to stop collaborating with the North American counterinsurgency project. We must show that the government cannot exercise political control where it does not have military control. That is illogical."

Of the 26 mayors in the province, only eight live in their communities, according to Lieutenant Colonel Roman Barrera, military commander in San Francisco Gotera. The other 18 live in this heavily fortified garrison city.

John Carradine, Actor, Is Dead in Milan at 82

The Associated Press

MILAN — John Carradine, 82, the patriarch of an American acting family who appeared in more than 500 films, died Sunday, a spokeswoman at a Milan hospital said Monday.

The spokeswoman at Fatebenefratelli Hospital said that Mr. Carradine had been hospitalized since Thursday, but she did not disclose the cause of death.

Mr. Carradine appeared in such film classics as "Stagecoach" with John Wayne and "Grapes of Wrath" with Henry Fonda. He also played leads in numerous "B" movies and portrayed Count Dracula three times on the screen.

John Carradine was born Richmond Reed Carradine in New York City. His father was a lawyer, poet and printer who became an Associated Press correspondent in London. His mother was a surgeon.

As a young man, he hitchhiked across America, drawing sketches of people he met to pay for food and reaching Los Angeles aboard a banana train. He made his film debut in 1930 with the talkie remake of "Tol'able David."

By 1935, he had changed his name to John Carradine, and his voice attracted the attention of John Ford and other directors. In

Mengistu Voices Hope for Better Ties Under Bush

New York Times Service

ADDIS ABABA, Ethiopia — The president of Ethiopia, Lieutenant Colonel Mengistu Haile Mariam, who has been a harsh critic of the United States, said in an interview that he hoped the Bush administration would help improve relations between the two countries.

Colonel Mengistu, the leader of one of the world's most rigid Marxist-Leninist states, made his overture after a midway visit to the Soviet Union, his major arms and economic benefactor.

There, diplomats said, he was urged to seek a political solution to the long civil war in the country's northern provinces and encouraged to broaden his relations with the West.

The colonel, who said that neither Ethiopia nor the United States stood to gain from bad relations, sent a swift and unusually warm message of congratulations to President-elect George Bush.

"Mr. Bush wasn't happy; he was very surprised," a Foreign Ministry official said, speaking on condition of anonymity.

"We only heard about this visit shortly after Mr. Tamir took off."

An Israeli Foreign Ministry Official Made Unauthorized Visit to Moscow

The Associated Press

JERUSALEM — Foreign Ministry officials said Monday that a visit to the Soviet Union by its director-general, Avraham Tamir, had not been authorized by the Israeli government.

Mr. Tamir, who arrived in Moscow on Sunday to meet with Israel's consul general, is the highest-ranking Israeli to visit the Soviet Union since the Kremlin cut ties with the Jewish state after the 1967 Middle East war.

His 36-hour visit was not scheduled to include meetings with Soviet leaders, said the officials.

They said the trip was not cleared with Foreign Minister Shimon Peres or other government leaders and had provoked angry reactions.

"We only heard about this visit shortly after Mr. Tamir took off."

JAPAN: U.S. Had a Monetary Plan to Balance Trade, but It Backfired

(Continued from Page 1)

markets. Prices of many foreign products in Japan are down slightly and imports are way up, although American companies have not moved as nimbly as their European and Asian competitors to take advantage of the new exchange rates. And Japanese exports continue to swell.

Every Japanese who once greeted every leap of the yen with cries of impending disaster, the verdict now seems clear. "The story started with American pressure and Japanese resistance," said Akio Kohno, a professor of economics at Tokyo's Sophia University. "But the result is absolutely favorable to Japan."

The unexpected consequences of a strong yen are leading some Americans and Japanese to argue that the Reagan administration relied too much on monetary policy and too little on improving the basic competitiveness of American companies.

"I think the administration saw it as a quick fix to the problem," said Representative Richard A. Gephardt, Democrat of Missouri, who is an outspoken critic of Japanese trade barriers.

"I'm not saying there didn't need to be an adjustment," he said. "But we've seen a huge depreciation of the dollar and appreciation of the yen, and we're still facing a \$52 billion trade deficit."

The strong yen has sent Japanese companies on a shopping spree for American real estate and corporations. In the first seven months of



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ARTS / LEISURE

Jackie McLean: Playing the Sax Minus the Sugar

By Mike Zwerin
PARIS — Jackie McLean is looking for the common tone, to be able to move between all 12 tonal centers with total freedom and under complete control.

a big name or anything but he collected dues and he'd rent a hall once a month and present me in concert.
McLean played the saxophone for four years at \$95 a week—in the first Living Theater production of "The Connection," an off-Broadway milestone which cast a new perspective on the nature of make-believe.



"I'm ready to kick the doors down," the alto saxophonist says.

Which may or may not have Freudian implications because he grew up on Sugar Hill, once a noble corner in Harlem now sowing fest into drugs and shoot-outs. "The streets were clean when I was a kid there," he says, at once proud and sorry about it.

McLean played the saxophone for four years at \$95 a week—in the first Living Theater production of "The Connection," an off-Broadway milestone which cast a new perspective on the nature of make-believe.

India, upstate New York and the Brooklyn Bridge to meditate. McLean joined the faculty of the highly rated Hart School of Music at the University of Hartford in Connecticut in 1970, and has become chairman of its African-American music department.

Both McLean and Rollins also peaced themselves by retiring from full-time playing for years. Rollins periodically left for such places as

Hackett Class Act Goes Upmarket

International Herald Tribune
LONDON — Jeremy Hackett and Ashley Lloyd-Jennings are a class act. Everything they sell reeks of old money and good connections.



Hackett partners Ashley Lloyd-Jennings and Jeremy Hackett.

On Friday, Hackett opened its flagship emporium — 10,000 square feet (930 square meters) of polished mahogany in Covent Garden. Behind a classic pillared facade, this gentleman's outfitter has shirts and sweaters in custom-built

peacock male fashion boutiques in the 1960s; they graduated to selling quality shoes, including the penny loafers from Brooks Brothers, which is the store image they aspire to.

shooting sticks, brandy flasks and ivory handled shaving brushes. "But we've never had things in the window to make the shops look good," says Lloyd-Jennings.

When the sources of second-hand clothes dried up, they turned to traditional suppliers to re-create the same goods under their own label: tweed jackets the color of breakfast porridge, pin-striped suits, old school ties and tuxedos built to last from father to son.

Hackett is also, inescapably, about the British system of class and caste, in which the right accent and family background whisper louder than the right sweater.

In 1989, Hackett will expand to Japan, with two retail outlets in Tokyo under the Hackett name and 40 units opening over the next five years.

alist Defies Both

McLean, who was born in 1932, heard Charlie Parker at the age of 14 "the first time that name came out of my mouth I knew at that moment I was going to be a musician." Five years later, he joined Miles Davis. Looking back, he wonders "How did I do it that fast?" He was fast and furious in his own shop most of the time and I was a most confused and troublesome young man. I was constantly on the street, in jail, or in a hospital kicking a habit.

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Researching Dante Is Divine With New Data Base

HANOVER, New Hampshire — American and European scholars were huddled over a computer at Dartmouth College to determine how many times the character Francesca appears in "The Divine Comedy" and its commentaries.

Without the computer, such a search would take about four days," said Albert L. Rossi, a professor of French and Italian at Dartmouth. "You would have to look through each book of commentary individually if you were lucky enough to have them all in the same room."

Dante scholars often research a single line of "The Divine Comedy," whose 15,000 lines have a cast of more than 500 characters. The poem traces the poet's journey through Hell, Heaven and Purgatory. Hundreds of line-by-line commentaries have been written for it.

Most of the commentaries are in Latin and Italian, with only two so far in English. The modern authors say the program is simple enough for high school students and can offer the arcane details that scholars love.

The Dante data base is not the only literary one available. The University of California at Irvine has a data base of ancient Greek literature and the University of Chicago has one of French literature, overseen by the French government. David Bantz, Dartmouth's director of computer programs in the humanities, said the Dante one can be used by anyone in the world with a computer and modem.

Mengistu Votes Hope for Better Ties Under Bus

Mengistu votes hope for better ties under bus. The article discusses the political situation in Ethiopia and the role of Mengistu.

Table with columns: NYSE Most Actives, Market Sales, NYSE Index, AMEX Diary, NASDAQ Index, AMEX Most Actives.

Table with columns: Dow Jones Band Averages, NYSE Diary, Odd-Lot Trading in N.Y., Dow Jones Averages, Standard & Poor's Index, NASDAQ Diary, AMEX Stock Index.

NYSE Mixed in Slow Trading

NEW YORK — Prices closed narrowly mixed Monday in light trading on the New York Stock Exchange, with blue chips outperforming other issues as unfavorable news of rises in interest rates and oil prices added to the market's economic concerns.

The Dow Jones industrial average, which had fallen 17.60 Friday, rose 6.76 to close at 2,081.44.

Analysts said the market was pressured by renewed concerns over key economic issues, including the dollar, the huge U.S. trade deficit and higher short-term interest rates.

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INTERNATIONAL STOCK MARKETS

Nestlé's Foreign Investors Learn How Sweet It Isn't

NEW YORK — Making the foreigners pay more than the locals is a time-honored tradition in stocks as well as in other areas. The foreigners do not like paying the price, but they can be even less happy when the rules are changed.

When restrictions on outside investment were eased, stocks owned by non-Swiss fell sharply.

The Swiss system provides for separate registered shares and bearer shares. In the case of Nestlé, one-third of the shares are bearer shares, which can be owned by anyone.

In Sweden, where a similar system prevails, some companies own have little or no premium for the shares available to foreigners.

IN SOME countries, among them South Korea, Taiwan and Brazil, it is very difficult for foreigners to buy stocks at all. Since special government permission is needed, the few foreign closed-end funds that have been allowed to invest in those markets have sometimes traded their shares at huge premiums.

One American trader, who asked that his name not be used, said he regularly trades Singapore Airlines shares that are restricted to Singaporeans.

In South Africa, the existence of two exchange rates provides the unusual situation of foreigners getting preferential treatment, said John Brimelow of Keane Securities in New York.

Foreigners who buy and sell South African securities must do so with so-called financial rand, now worth about 27 cents each. But dividends are paid in rand that can be converted into dollars at the higher commercial rand rate, now worth about 42 cents.

Japanese Indicators Point To Continuing Expansion

TOKYO — Japan's Economic Planning Agency said Monday that its indicators for September pointed to continued expansion of the economy in coming months.

The basic trend remains unchanged, an agency official said. "The economy has remained in an expansionary phase and it will continue to do so in the future."

The agency said its leading indicator, which moves in advance of general economic conditions, jumped 50 in September from 33.3 in the previous two months.

Ordinarily an index reading below 50 indicates an economic contraction, but agency officials said the low readings for earlier months were statistical flukes.

However, the coincident indicator, which moves in concert with business conditions, fell to 75 in September from 90 the previous month, the agency said.

In other reports Monday on the Japanese economy, the Ministry of International Trade and Industry said that production at the nation's factories and mines rose 6.6 percent in October from a year earlier but fell 0.8 percent on an adjusted basis from the previous month.

The ministry said it expected industrial output to rise 1.5 percent in November, a downward revision from its earlier forecast of 2.4 percent growth, and 0.9 percent in December.

Separately, the nation's automakers said they exported 521,932 cars and commercial vehicles in October, down 2.1 percent from a year earlier. It was the seventh consecutive monthly decline, following a 1.6 percent fall in September.

China Proposal Fuels Talk of Devaluation

BEIJING — A government agency that provides housing and office staff for foreigners has asked for payment in U.S. dollars, fueling speculation that the government is considering a devaluation of the Chinese currency, the yuan.

The proposal came a few days after authorities had announced that foreign companies operating in Beijing would have to pay local employees in dollars instead of the yuan, triggering an uproar among foreign businesses.

The Foreign Ministry's Diplomatic Services Bureau suggested in a letter Monday that rents and staff payments should be in dollars beginning in January. The bureau said it would not raise prices for two years if payments are in dollars and would consider adjustments thereafter.

"If you continue to pay in renminbi next year, prices for 1990 and 1991 may be adjusted according to Beijing retail prices and the renminbi/U.S. dollar rate," the agency said. Renminbi means "people's currency."

The request heightened expectations that China planned to devalue the yuan to help exports and move the official rate closer to the free and black market levels.

The yuan has been held at about 3.7 to the dollar since July 1986, when it was last devalued by more than 15 percent. It trades at around 7 to the dollar on officially approved swap markets and higher on black markets.

Black market rates have soared this year in line with a sharp rise in prices. Foreign bankers and economists say they expect a devaluation next year, but China first wants to control inflation, now at its highest levels since the Communists took power in 1949. Year-to-year inflation is running at around 19 percent.

The government reported Monday that the official inflation rate soared in October to more than 26 percent and was likely to continue rising through December.

A spokesman for the State Statistical Bureau said China's retail price index in October was 26.1 percent higher than in October 1987. China last released comparable figures in June, when prices were up 19 percent from the previous year.

Prices in October were up 17 percent from Jan. 1 and were expected to peak at year's end at about 20 percent.

A Diplomatic Services Bureau official said the proposal on the rents was justified as a way of fighting inflation. A devaluation would increase inflationary pressure by raising the cost of imports.

Most European Community countries except Britain and Italy have decided to refuse the proposal to pay diplomatic rents in dollars. Other countries said they were reserving judgment for now.

The Chinese government has imposed a series of stringent economic measures in the past few months to reduce sharply the role of the free market and local decision making.

Among other things, Beijing has said it would reimpose controls on the prices of many commodities, limit the growth in the number of private traders and clamp down on capital spending by localities.

Those new measures, announced after a five-day meeting of the Central Committee at the end of September, were the first indication that significant aspects of China's economic restructuring would be scaled back. They also signaled an attempt by the central government to stem corruption within the government and the Communist Party.

For the past several years, the government had allowed the prices of many agricultural and industrial goods to be set by demand, which led to big gains in production. But built-up demand has caused prices to rise much faster than wages.

The inflation statistics came as the State Commission for Restructuring the Economy, which has charted economic reforms, and the State Planning Commission, in charge of economic planning, met jointly.

The evening television news said the commissions had reported progress but said more work was needed to reign in the overheated economy. The broadcast did not say whether the commissions were considering new measures to reduce inflation.

(Reuters, NYT, AP, AFP)

U.S. Signs New Deal On Grains

Moscow to Buy U.S. Surpluses

By Michael Dobbs Washington Post Service

MOSCOW — The United States and the Soviet Union signed a 27-month extension of their grain agreement Monday after failing to negotiate a new long-term accord.

Under the compromise the Soviet Union is committed to buying a minimum of nine million tons of grain and soybeans annually from American farmers.

The extension of the existing agreement, signed in October 1983, ended a nine-month negotiating stalemate. Soviet negotiators had wanted to link an entirely new agreement to better access for Soviet ships to U.S. ports and expanded bilateral trade.

The U.S. deputy trade representative, Alan F. Holmer, who signed the accord in Moscow with the chief Soviet negotiator, Yuri Chumakov, said he expected the pact to bring greater stability to world grain markets.

"We think it's important," Mr. Holmer said, "because it stabilizes the grain trade between our two countries by assuring the Soviet Union a secure source of supply for their grain imports and American farmers with a secure source of exports."

Although Soviet grain production has increased in recent years from a slump in the late 1970s, the country is still obliged to import at least 20 million tons of grain a year.

The agreement provides for the Soviet Union to purchase at least four million tons each of wheat and corn annually as well as a million tons of additional wheat, corn or soybeans. It also allows the Soviet Union to purchase up to three million extra tons of wheat and corn annually without consultation.

U.S. grain markets slumped Monday on news of the grain pact in a classic example of "buy the rumor, sell the fact," analysts said.

On the Chicago Board of trade, wheat was 2 1/2 cents to 7 1/2 cents lower with the contract for delivery in December at \$4.184 a bushel. Corn was 3/4 cent to 9 cents lower with December at \$2.57 a bushel, while oats were 10 cents lower across the board with December at \$2.05 a bushel.



Adrian Zecha, whose William Hunt Holdings bought Southern Pacific Hotels last summer.

Upstart Hotel Firm Targets Asia Dealmaker Brings New Life to Old 'Shell' Company

By Coleen Geraghty International Herald Tribune

HONG KONG — An aggressive new player, William Hunt Holdings, has entered the booming hotel industry in the Asia/Pacific market, and the man at the helm is the dealmaker Adrian Zecha.

The young company burst into the industry with an extraordinary transaction in July, when it paid \$40 million Australian dollars (about \$465 million) to buy Australia's largest hotel chain, Southern Pacific Hotel Corp., from the Malaysian financier Khoo Teck Puat. William Hunt overcame 50 rivals to acquire the group, but saddled itself with a large debt in the process.

Only two years ago, William Hunt was one of many inactive "shell" companies listed on the Hong Kong Stock Exchange. But Mr. Zecha and partners began investing in 1986, and over 14 months they acquired a controlling interest, convinced other shareholders to sell William Hunt's lackluster energy and trading businesses, and steered the company in a new direction.

Whether William Hunt's success in acquiring Southern Pacific was due to Mr. Zecha's personal relationships with Tan Sri Khoo and the Pritzker family of Chicago, his partners in the deal, is a matter of some speculation in the hotel industry. Most agree, however, that Mr. Zecha's considerable charm and consummate negotiating skills helped clinch the deal.

"His strength," said Alan Hargreaves, an analyst at Hoare Covert, "is an ability to tap the people with money. He is known as a man who puts deals together."

William Hunt may be a young company, but Mr. Zecha is no newcomer to the hotel business. The man whom acquaintances



The Parkroyal Hotel in Christchurch, New Zealand.

describe as both a genius and a mount pressure to repay the government and other creditors, the financier received a call from his friend, the Indonesian-born Mr. Zecha, who asked if Tan Sri Khoo would be interested in selling Southern Pacific to William Hunt. Several months later, Tan Sri Khoo replied that he did want to sell.

As Tan Sri Khoo's financial woes unraveled in the press, other offers for the hotel group flooded in. Well-known groups such as Trusthouse Forte of Britain entered the race, but in the end, William Hunt won with a financing package that was acceptable to the Brunei government.

The sale price was more than five times what Tan Sri Khoo paid for the hotel group in 1981, a heavy financial burden for a young company like William Hunt.

Although company directors contended they could have shouldered the cost of the purchase independently, they opted to take a partner. Together with Merrill Lynch, the advisor to William Hunt, Mr. Zecha approached the Pritzkers, whose Hyatt Corp. and Hyatt International

U.S. Banks Lift Prime to 10.5%, A 3 1/2-Year High

By John M. Berry Washington Post Service

NEW YORK — Major U.S. banks raised their prime lending rates Monday by half a percentage point to 10.5 percent, the highest level since 1985, reflecting recent increases in interest rates on the credit market, where banks raise most of their funds.

The increase, the fourth this year, underscored rising pressure in financial markets as the Federal Reserve Board continues to seek to slow economic growth to what Fed officials regard as a sustainable pace and head off an acceleration of inflation.

Chase Manhattan Bank was the first to increase its prime rate, an interest rate to which most business loans and a growing share of consumer loans are pegged. It was followed by Citibank, the biggest U.S. commercial bank, as well as Chemical Bank, Manufacturers Hanover Trust Co., Bankers Trust and Morgan Guaranty Trust Co. Other major banks were expected to join the move.

Most financial analysts had anticipated the prime would be increased since the banks' cost of obtaining funds to lend has been rising along with short-term interest rates in general. However, some analysts had expected the banks to wait until there was clear evidence the Fed had tightened monetary policy another notch.

"Most of the market has been anticipating a further firming of Fed policy," said Frederick S. Breimyer, an economist with State Street Bank in Boston. "We have seen market interest rates rise ever since the strong employment data for October were released. The news of the past few weeks was that the economy was stronger than the market had thought."

Mr. Breimyer called the increase in the prime rate "a follow-through step that is not surprising, since the spread between CDs and the prime has been narrowing." Major banks obtain a significant share of the funds they lend by issuing large certificates of deposit. When the difference between what the banks

Trade Deficit For 3d Quarter Shrank in U.S.

WASHINGTON — The U.S. merchandise trade deficit for the third quarter shrank to \$28.5 billion, the lowest in three years, as exports rose to a record \$82.3 billion, the government said on Monday.

The trade deficit in the July-September quarter followed a revised deficit of \$30.15 billion in the second quarter and a first-quarter deficit of \$35.18 billion, the Commerce Department said.

The quarterly report suggests the country is making more progress in cutting its trade deficit. The deficit has been shrinking since reaching a peak of \$41.9 billion in the last three months of 1987.

Most economists give the quarterly report more credence than the better-known monthly trade figures. The quarterly report gives trade data on a balance of payments basis that excludes military sales and the cost of insurance and shipping.

The deficit for 1987 was a record \$160.28 billion on a balance of payments basis. In the first nine months of 1988, the deficit has run at an annual rate of \$125.16 billion.

have to pay on CDs and the prime narrows to about 1.5 percentage points, as it had by this week, the prime often goes up.

Most other short-term interest rates were little changed Monday. Yields on three-month Treasury bills remained at 8.29 percent.

Even though many short-term interest rates have gone up between one-half and three-quarters of a percentage point in the past month, analysts generally agree that the Fed has not caused the increase by making cash less readily available to the nation's banks.

Currency Rates

Table with columns for Currency, Par \$, and various exchange rates for major currencies like Australian, British, Canadian, etc.

Other Dollar Values

Table with columns for Currency, Par \$, and values for various currencies like Argentine, Australian, Swiss, etc.

Forward Rates

Table with columns for Currency, 30-day, 60-day, 90-day, and forward rates for various currencies.

Interest Rates

Table with columns for Eurocurrency Deposits, 1 month, 3 months, 6 months, and interest rates for various currencies.

Key Money Rates

Table with columns for United States, Discount rate, Call money, and key money rates.

Key Aide To Garcia Quits in Peru

LIMA — President Alan Garcia Pérez on Monday named a new economy minister, his fourth in less than seven months, amid severe criticism of his government's failure to curb runaway inflation.

Abel Salinas Izaguirre, a Sunday night, the official news agency Andina reported. His successor is Carlos Rivas Davila, a legislator from Mr. Garcia's center-left American Popular Revolutionary Alliance.

Mr. Salinas reportedly resigned over Mr. Garcia's interference in attempts to reduce a fiscal deficit and control galloping annual inflation of 1,112 percent.

Peru, one of Latin America's leading debtor nations with foreign debt of \$15.4 billion, has plunged into a recession marked by political instability, food shortages and severe labor unrest. A strike by about 60,000 state and private miners entered its seventh week Monday with no solution in sight.

In a radio interview, Mr. Rivas Davila, 43, called on political opponents of the government to offer suggestions on how to overcome "the most serious crisis in Peru's history."

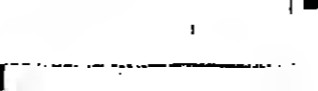
Gold

Table with columns for Gold, A.M., P.M., and prices for various gold-related items.

U.S. Money Market Funds

Table with columns for Merrill Lynch Ready Assets, 30-day overnight yield, and U.S. money market funds.

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Lonrho Sells European Wines and Whisky Unit

Reuters
 LONDON — Lonrho PLC, the British conglomerate that is facing a possible bid from the Australian financier Alan Bond apparently took up an active defense on Monday by selling its European drinks unit, one of its most attractive holdings.

Lonrho, controlled by 70-year-old R.W. (Tiny) Rowland, said it had agreed to sell its European wines and spirits division to Brent Walker Group PLC, a British leisure group, for £180 million (\$330 million) in cash.

"It's an absolutely brilliant deal, and it's a particularly opportune time to do it," said Bob Carpenter, an analyst with the London brokerage of Kitcat & Aitken & Co.

The division includes the French wine producers and shippers Louis Eschenauer SA and Hols Freres & Fils SA, and Whyte & Mackay Distillers Ltd., the second largest marketing company for Scotch whisky brands in Britain.

The disposal is conditional on approval by the French Agriculture Ministry, which share analysts said seemed likely.

Lonrho shares fell 12 pence, to 378 pence, after the deal was announced Monday.

Terry Robinson, a Lonrho director, said the sale was not meant as a defensive measure against Bond Corp. Holdings, which has built a stake of almost 21 percent in Lonrho in recent weeks.

Mr. Robinson said Lonrho put the unit up

for sale two months ago after deciding it was not a core business, and that Brent Walker had offered a good price for it. No other asset sales were being considered at this time, he said.

But analysts said the move was well timed from a defensive viewpoint. There has been market speculation that Bond, which also has an 11 percent stake in Allied-Lyons PLC, might use Lonrho as a stalking horse for Allied.

If this were true, Bond would be interested in obtaining both Lonrho's Princess and Metro pole hotel chains as well as its European beverage activities, the analysts said.

"If Bond was interested in the drinks businesses, he isn't going to get them now," one analyst said.

Crédit Agricole Names Jaffré

New York Times Service
 Philippe Jaffré, 43, has been named managing director of Caisse Nationale de Crédit Agricole, France's largest bank with assets of 1.14 trillion francs (\$195.4 billion).

Mr. Jaffré, who only three months ago took over at the helm of Banque Stern, was a compromise candidate, chosen to quell management unrest at Crédit Agricole. On Nov. 8, the bank's board dismissed Bernard Aubergier as managing director.

Crédit Agricole, known as the Green Bank because of its ties to farming, was semi-privatized in February under Prime Minister Jacques Chirac. Mr. Jaffré was an architect of Mr. Chirac's privatization program, and when the Socialists won elections last spring, Mr. Jaffré lost hope of being promoted at the Treasury, where he had been second in command.

Yomiuri Executive Resigns In Recruit Cosmos Scandal

The Associated Press
 TOKYO — A vice president of Yomiuri Shimbun resigned Monday to take responsibility for involving the Japanese newspaper in the Recruit Cosmos stock trading scandal, Yomiuri reported.

A Yomiuri corporate officer said the resignation of Iwao Maruyama, 67, had been accepted at a special board meeting.

The officer quoted Mr. Maruyama as saying he wanted to take "moral responsibility" for the "serious trouble" he had caused.

Mr. Maruyama was one of the top journalists, politicians and businessmen who were allowed to buy stock of Recruit-Cosmos, a real estate firm, before it was offered to the public. The buyers reaped huge profits after the company was listed on the over-the-counter market in October 1986.

No laws were broken, but the transactions raised ethical questions about the ties between big business and politics in Japan. The government has since tightened the

laws on insider stock trading, but the measures are not retroactive.

On Saturday, a Yomiuri spokesman quoted Mr. Maruyama as saying he bought his 5,000 shares "without even knowing they were unlisted." Saturday night, Mr. Maruyama brought the stock certificates to a news conference to prove he had not sold them for a profit.

Yomiuri said Monday: "It is regrettable that he had not disclosed his purchase of stock until recently as he is an executive of the newspaper that has been working to make clear the scandal."

Mr. Maruyama was the second newspaper executive to resign over the scandal, after Ko Morita, president of the financial daily Nihon Keizai Shimbun.

Prime Minister Noburo Takeshita, Finance Minister Kiichi Miyazawa and a former prime minister, Yasuhiro Nakasone, are among those who have acknowledged their aides bought Recruit stock, but they all have denied they knew about it at the time.

Kyocera Posts 39% Rise in Net

Agence France-Press
 TOKYO — Kyocera Co. a major Japanese producer of electronic equipment and optical precision instruments said Monday that its after-profit jumped by 39.1 percent to 14.1 billion yen (\$115.5 million) in the first half of current business year.

The company's profit per share in the six-month period from April to September rose 31.1 billion yen, an increase of 29.7 percent over the same six months of 1987, Kyocera officials said.

Sales during the six months totaled 170.2 billion yen, 17.5 percent. The company attributed the better business performance chiefly to the development of "compact" products and efforts to reduce production costs.

Kyocera, which was established in 1959 and has nearly 13,000 employees, is based in Kyoto, Japan.

IRI Expects Record Net For 1988

Reuters
 ROME — Italy's largest state-owned industrial group, Istituto per la Ricostruzione Industriale, will have a record consolidated group net profit of more than 1 trillion lire (\$780 million) this year, Romano Prodi, president of IRI, said in a magazine interview.

"IRI's profit will exceed 1 trillion, a historic high for the group, and even the profit directly attributable to the group will be a few hundred billion," Mr. Prodi said in an article Monday in the Italian magazine Espresso.

In 1987, IRI reported a consolidated net profit of 176 billion lire and a consolidated net loss, including minorities, of 715 billion.

IRI has more than 400 subsidiaries in such diverse sectors as aerospace, banking, engineering and telecommunications, as well as shipbuilding and steelmaking.

Mr. Prodi said in the same interview that the Italian computer group, Olivetti SpA, need not fear that it will be excluded from future accords in the telecommunications industry following a proposed link-up between Italtel SpA and a foreign partner.

Italtel, part of the IRI group, is seeking a foreign partner to help update its production of telecommunications equipment as part of a long-term plan by Italy to improve its telephone system.

Italtel is considering proposals for cooperation with four foreign groups: American Telephone & Telegraph Co., Siemens AG of West Germany, L.M. Ericsson of Sweden and Alcatel of France.

Olivetti has an interest in the outcome, since AT&T has a 22 percent stake in the group. A link between Italtel and an AT&T rival could create problems for Olivetti in the Italian market.

Mr. Prodi said Olivetti had no need fear anything if Italtel does not choose AT&T.

HOTELS: Dealmaker Zecha Makes a Bold Move Into the Asian Market

(Continued from first finance page)
 sistentlly rated one of the top 10 hotels in the world.

By the time Mr. Zecha and Mr. Rafael sold their shares in Regent to Mr. Burns in 1986, the trio had turned a single-asset company into an \$100 million business with four partly owned hotels and 10 others under management.

"They set new standards in the Asian hotel industry, which really

mean setting new standards for the world," said Murray Bailey, the editor of Travel Business Analyst, a regional trade publication.

With Regent Hotels, Mr. Zecha and his partners ran a chain of elegant establishments.

Southern Pacific Hotels, in contrast, includes a collection of two-, three- and four-star hotels, some of them sleek and modern, others badly in need of refurbishment, according to those familiar with the business.

"Travelodge, their best-known chain, is the typical stop for Mom, Pop and the kids driving around the country for a summer holiday," said Mr. Hargreaves. "It includes two-star and three-star hotels, that is, the middle to lower-middle end of the market."

Although the Southern Pacific group also owns some high-quality

hotels in major Australian cities, such as the Old Sydney Parkroyal, it lacks a clear image.

Mr. Zecha intends to change the situation. He and his partners plan to consolidate the business by selling certain Travelodge hotels and refurbishing others. The group is also negotiating for hotel management contracts in Thailand, Malaysia and Indonesia, in a strategy

aimed at establishing regional identity.

Fifteen of Southern Pacific's existing hotels are four-star establishments operating under the Parkroyal name. They offer quality service without all the amenities of the higher-priced international chains. In 1987, Parkroyal accounted for 36 percent of Southern Pacific's hotel profit while Travelodge accounted for 64 percent. Both chains catered mainly to business and conference travelers.

William Hunt is in the process of establishing a third category of hotel under the Southern Pacific banner.

Designed for businessmen who want "a higher level of services than that provided by Travelodge at a price between Travelodge and Parkroyal," according to a company prospectus, Centra hotels will be

situated near business district airports in Australia and New Zealand. Centra hotels are under construction in Auckland and Sydney.

Mr. Zecha said he had no notion of transforming Southern Pacific into a luxury chain.

"The three- and four-star are the fastest growing sector this market," he said. "Irraw has the potential to grow than Parkroyal."

"And in quantitative terms returns are greater. You can see several three- or four-star in one city."

Medium-quality hotels at Travelodge attract the group popular with Taiwanese and other tourists, who, together with Hong Kong residents, constitute the majority of Asian travelers in Australia and elsewhere.

In Australia and elsewhere, the travel boom has hotel occupancy rates to abnormally high levels, raising profitability of the hotel sector to unprecedented levels.

"If you look at recent movements within this region would conclude that eye should be going into the hotel business as rapidly as possible," Mr. Bailey. Investors have the Asia-Pacific hotel market fastest growing in the world.

Mr. Zecha's ambition to transform Southern Pacific into a regional hotel empire will be achieved easily. Although William Hunt has the advantage of mass in Australia, the company's presence in the more luxurious markets such as Hong Kong, and Thailand.

'His strength is an ability to tap the people with money. He is known as a man who puts deals together.'

Alan Hargreaves, analyst.

We are pleased to announce that
TONY MARSHALL and JOHN PURCELL
 have joined the Company as Executive Directors



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If your current circumstances call for a fiduciary deposit account, simply fill in and return the coupon today and we'll send you a copy of the Robeco Geneva investment pack which has all the information you need to invest in the Ro-deposit Account.

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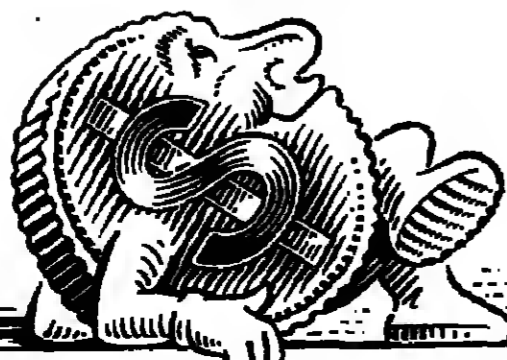
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CURRENCY MARKETS

Interest Rate Outlook Lifts Dollar

NEW YORK — The dollar ended higher Monday on expectations that U.S. interest rates would remain firm and could rise further. The U.S. currency rose to 1.7365 Deutsche marks from 1.7170 DM on Friday, and to 122.325 yen from 121.25 yen. It also climbed to 1.4538 Swiss francs from 1.4370 francs, and to 9.9300 French francs from 9.8645.

London Dollar Rates table with columns for Currency, Bid, Ask, and Rate.

The dollar rose to 1.7332 Deutsche marks from 1.7145 on Friday, while it climbed to 122.23 yen from 121.15 on Friday. The pound ended lower at \$1.8375, down from \$1.8445 Friday. The also dollar ended the day at 1.4514 Swiss francs, up from 1.4375 on Friday, while it closed at 9.9235 French francs, up from 9.8625 at the close of trading last week.

Bundesbank Acts to Put Brakes on German Rates

FRANKFURT — The Bundesbank acted swiftly Monday to ensure that West German interest rates did not follow a new upward trend in the United States and Britain, economists said. It did so by adding a new twist of flexibility to its money market operations, offering securities repurchase funds at the shortest maturity seen here. A four-day repo was offered to a select number of commercial banks in response to an end-month liquidity shortage.

Are U.S. Factories Really Thriving?

Commerce Department Concedes Data May Be Faulty

By Louis Uchitelle New York Times Service NEW YORK — When the Reagan administration reports that manufacturing is thriving in the United States, it bases its optimistic assessment on a government statistic that is probably exaggerated, the Commerce Department now concedes. This particular statistic, which measures the output of the U.S. factories, is often cited as an argument against contentions that American manufacturers have lost ground to foreign competitors.

OPEC: Cartel Agrees to Quota System to Raise Prices, Set Iraq-Iran Parity

(Continued from Page 1) tuted after a proposal from Saudi Arabia on the weekend to set a price floor of \$15 for OPEC oil was spurned by virtually all other OPEC members. According to a number of OPEC delegates, opposition to the Saudi proposal was so intense that several chiefs of state telephoned King Fahd to protest. Saudi Arabia abandoned its proposal on Monday morning.

Nonfarm payrolls are forecast to have risen 241,000 after October's 323,000 rise, with the U.S. unemployment rate unchanged at 5.3 percent. Employment data often cause sharp swings in the dollar. By itself, the jobs data may not be enough to prompt a tightening by the Fed. But in the context of recent reports showing high capacity utilization, strong retail sales and a slightly higher consumer price, the central bank may be prompted to act.

Monday's OTC Prices

NASDAQ prices as of 4 p.m. New York time. This list, compiled by the AP, consists of the 1,000 most traded securities in terms of dollar volume. It is updated twice a year. Via The Associated Press.

Table of Monday's OTC Prices listing various stocks and their prices.

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Table of OTC Prices listing various stocks and their prices.

Monday's AMEX Closing tables including the notetwelve prices and do not reflect late trades elsewhere.

Investment House

Investment House

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BOOKS

QUIET RIOTS: Race and Poverty in the United States

Edited by Fred R. Harris and Roger W. Wilkins. 223 pages. \$19.95. Pantheon Books Inc., 201 East 50th Street, New York, N. Y. 10022.

Reviewed by Jonathan Yardley

TWO decades ago the black ghettos of many great cities of the United States were torn by a succession of nightmarish riots, the cumulative effect of which moved Lyndon Johnson to establish a presidential commission charged with answering three questions: "What happened? Why did it happen? What can be done to prevent it from happening again and again?"

The Kermer Report — dated March 1, 1968 — looked beyond the riots, as members of the commission immediately found they had to do, to racism and poverty and the other, terrible, underlying conditions out of which the riots had mushroomed. The report called for great new efforts to combat American poverty, unemployment and racism. It gave America a much more accurate picture of where we were and where we might be heading than anyone could reasonably have expected from what many had thought to be a pretty middle-of-the-road group of commissioners. The report was a measure of America's failure of vision up to then — and, sadly, it is a measure of our failure of will in recent years.

This last is the conclusion reached in February of this year at a conference in Wisconsin called "The Kermer Report: Twenty Years Later." The co-chairmen were Fred R. Harris, former senator from Oklahoma, and Roger W. Wilkins, the distinguished journalist; the participants included a number of noted authorities on social matters, urban ones in particular, and represented a fairly broad spectrum of political opinion. This new

book is the result of their labors: a slender but pointed and depressing volume that confirms nothing so much as the inability of the United States' political, economic and social institutions to respond to the urgent messages that were sent out of the ghettos in the 1960s.

"Quiet Riots" is not, it should be said, a report on the overall condition of black America in the late 1980s. It barely mentions the astonishing growth of the black middle class and the equally astonishing improvement in the lives of its members. But the purpose of the editors and their contributors is not to congratulate us or to encourage us in the complacency of the Reagan years; it is to force our attention away from those black Americans who have done so well and onto those millions of others who still live in deprivation and despair. These are not the riotous of the suburbs, but the rural poor and, more to the point, the poor of the city ghettos. The condition in which they live is described by Gary Orfield: "To a considerable extent the residents of city ghettos are now living in separate and deteriorating societies with separate economies, diverging family structures and basic institutions, and even growing linguistic separation within the core ghettos. The scale of their isolation by race, class and economic situation is much greater than it was in the 1960s, impoverishment, joblessness, educational inequality and housing insufficiency even more severe."

Race, class and economics: These remain, two decades after the Kermer Report, the controlling conditions of ghetto life. If anything, the situation in the cities is far worse than it was in 1968, for the promise that was held out by the Kermer Report has been repudiated by a failure to act effectively on the commission's recommendations. In light of this it is amazing that the ghetto has not produced a reprise of the 1960s riots, but a central point of this book is that its "riot" have been of a different character: "unemployment, poverty, social disorganization, segregation, family disintegration, housing and school deterioration, and crime."

Jonathan Yardley is on the staff of The Washington Post.

CHESS

By Robert Byrne

DESPITE Gary Kasparov's early loss to Andrei Sokolov, which featured one of the world blunders of his career, the world champion pulled himself together and won the third World Cup Tournament, which ended Oct. 24 in Reykjavik, Iceland.

Kasparov's 11-6 scored earned him the \$20,000 first prize.

Second prize, \$15,000, went to Kasparov's Soviet compatriot, the grandmaster Aleksandr Beliavsky, who tallied 10-4-6.

That Kasparov is beginning to intimidate opponents was the way Bobby Fischer once did can be guessed from his game with his countryman Jaan Elvest in the 16th round.

Even though Elvest guarded against doubled c pawns by 5 Qc2 and also 7 Bd2, Kasparov chose to let him have the bishop-pair with 7...Bc3. Bc3 Bc3 for the sake of effortless development with 8...d5 9 Nd5.

It was once thought that 10...Bf5 could be profitably answered by 11

e4 Nc3 12 b6 Bg4 13 O-O, but after 13...Bf1 14 Bf3 Na5 followed by 15...c5, Black stands well. With 16 Nd2, Elvest planned 17 Ne4 followed by 18 Nc5, but Kasparov upset his aplomb with his tricky 16...Nd4! Elvest could not ignore it with 17 Bg7 (17 Bf3? Nf6 18 Qc3 Nb5) was material, too! 18! 18 Qc1 Nf6 19 Bf3 Nf3 20 Nf5 Bd5 because the exchange is lost.

But after 17 ed Nf4 18 Bf3 Rd4, Elvest should have tried 19 Qc3 Bd3 20 g3? because White is still afloat after 20...Ne2 21 Bc2 Bc2 22 Rcl of 23 Qc3 Bf1 24 Nf1 with two minor pieces for rook-plus-two-pawns.

Instead, Elvest blundered with 19 Qb5? of. 20 Bf6 (unfortunately, 21 Qd8? Ra6 wins the queen) bc 21 Qc6 Qd8, which put him into a hopeless position.

On 24...e4, there was no use retreating with 25 Nd2 because 25...Nd3 26 Qb7 Rb8 27 Qa7 Ne1 28 Rf1 Rb2 29 Re2 Bf5 destroys all hope.



Position after 16 Nd2

Of course, 25 Qc4 was on defense at all. After 25...Ne2, loss of a piece by 26 Khl of was forced. Elvest gave up.

ENGLISH OPENING table with columns for White, Black, and Move numbers.

World Stock Markets

Via Agence France Presse Closing prices in local currencies, Nov. 28

Table of stock market data for Amsterdam, Helsinki, Hong Kong, and London.

Table of stock market data for Frankfurt, Johannesburg, Madrid, Milan, and Stockholm.

Table of stock market data for Paris, Sydney, and Tokyo.

Table of stock market data for Zurich and various international indices.

Table of stock market data for various international markets including Canada, Europe, and Asia.

Table of stock market data for various international markets including Canada, Europe, and Asia.

Table of stock market data for various international markets including Canada, Europe, and Asia.

Table of stock market data for various international markets including Canada, Europe, and Asia.

Table of stock market data for various international markets including Canada, Europe, and Asia.

ACROSS

- 1 Bygone days
5 Dried plum
10 Numbers man, for short
14 High: Prefix
15 Blitter
16 Killer whale
17 Wharf
18 Declains violently
19 Optical glass
20 Rub off
22 Lies at rest
24 First lady, May 7, 1987?
27 Conductor
Dorati
28 Heroic story
30 Boulder
33 Greek physician of note
35 Valley
37 Newman-Cruise firm: 1986

WEATHER

Table of weather forecasts for Europe, Asia, North America, Africa, Latin America, and Oceania.

JUMBLE

Jumble word puzzle section with a cartoon illustration and a list of words to be found.

West Germany: the land of quality craftsmanship.

Advertisement for Goldstar TVs and VCRs, featuring a large 'GOLDSTAR' logo and promotional text.

PEANUTS

Peanuts comic strip panel showing characters talking about class play for Christmas.

BLONDIE

Blondie comic strip panel showing Blondie and Dagwood talking.

WIZARD OF ID

Wizard of Id comic strip panel showing characters in a workshop.

ANDY CAPP

Andy Capp comic strip panel showing Andy Capp and his wife.

BEETLE BAILEY

Beetle Bailey comic strip panel showing Beetle Bailey and his dog.

DOONESBURY

Doonesbury comic strip panel showing characters in a classroom.

REX MORGAN

Rex Morgan comic strip panel showing Dr. Morgan and a patient.

GARFIELD

Garfield comic strip panel showing Garfield and Jon Arbuckle.

Solution to Previous Puzzle

Grid solution for the crossword puzzle from the previous page.

Flood Picks Up \$29

While Jack Nicklaus was warring on the rough today during Sunday's PGA Tour, a leading money-winner, California. Having earned part on the tour and \$25,000 on a Trempo took home \$25,000, but a hole-in-one on the PGA Tour didn't win a hole-in-one prize — only to have Trempo's first extra hole with a 14-foot birdie.

SCOREBOARD

Large table of sports scores and standings for various leagues and events.

SPORTS

Broncos Break Loose Against Rams, 35-24

Compiled by Our Staff From Dispatches DENVER — The Denver Broncos, who appeared to be headed from the Super Bowl to the Super Bore with seven straight scoreless quarters, are back on top in the American Conference West.

The Broncos, coming off a 4-0 loss to New Orleans, trailed by 7-0

NFL ROUNDUP

In Sunday's second quarter before John Elway finally got them untracked against the Los Angeles Rams, Elway threw three touchdown passes — two of them in a 15-second span in the third quarter — and ran one yard for another score as Denver beat the Rams, 35-24.

"We had to win the game to stay alive," said Denver's coach, Dan Reeves. The Broncos are only 7-6, but they lead the division by a half-game over Seattle and the Los Angeles Raiders, who were to meet Monday night. The Rams suffered their fourth consecutive loss and fell to 7-6.

Denver's first touchdown came early in the second quarter, when Elway fired an off-balance 39-yard pass to Mark Jackson. Then Elway set up a one-yard TD run with a 21-yard scramble, diving for the goal line but coming up just short as he was hit by two defenders.

"I wanted to do that," Elway said. "We had lost our aggressiveness, so I wanted to show some. I just wanted to be a football player."

"It's hard to take away a guy's aggressiveness," said Reeves. "John was fired up both running and passing. We're down to the part of the season where you can't worry about him getting injured. You've just got to go for it."

Leading 14-10 at halftime, the Broncos scored three straight touchdowns in the third period. After a punt, Elway needed just one play to get the Broncos in the end zone, hitting Jackson from 58 yards away with 12:12 left in the quarter. Ron Brown fumbled for the second time on the ensuing kickoff, and on the next play, Elway hit Vance Johnson for a 14-yard touchdown with 11:57 remaining.

"We gave the game away," Rams coach John Robinson said. "We're a very charitable football team." Giants 13, Saints 12: In New Orleans, playing with two backup quarterbacks because of an injury to Phil Simms, New York overcame

five turnovers and four field goals by Morten Andersen.

Paul McFadden kicked a 35-yard field goal with 21 seconds left in the game, after Giant quarterback Jeff Hostetler and Jeff Rutledge had combined to lead three scoring drives.

Hostetler, who started the game, passed for one first-half touchdown, an 85-yard play to Stephen Baker. Rutledge relieved Hostetler in the second half and led a short march to a 46-yard field goal by McFadden and a 33-yard drive to the game-winner.

The Giants, who also forced five New Orleans turnovers, are 8-5, tied with Philadelphia for the lead in the National Conference East. The Saints fell to 9-4, a game ahead of San Francisco in the NFC West.

Schneider Rallies for Cup Victory

The Associated Press LES MENUJRES, France — Vreni Schneider took some pressure off herself and her Swiss teammates by winning a World Cup giant slalom over an icy course here Monday.

The double Olympic and world champion came from behind with the top time in the second run to overtake Ulrike Maier with a combined time of 2 minutes, 3.83 seconds. Maier wound up third, behind Austrian teammate Anita Wachter; the Olympic combined gold medalist, Wachter was at 2:03.92, while Maier finished in 2:04.27 after her 1:03.17 led the morning run.

Schneider registered her 14th career cup victory and 11th in giant slalom. She felt the pressure after trailing by almost a second in the first heat. "I was as tense as I was at Calgary because I had to make up time," Schneider said. "But I felt in good shape and I'm happy." She blitzed the second run in 59.73, beating Maier by 1.47 seconds down a course that dropped 320 meters (1,050 feet) and had 45 gates on both heats.

Schneider was the only Swiss racer in Monday's top 20, as the Swiss women are starting slowly this year after dominating last season. "After Schlading and the Super-G race I thought there was a lot of doubt on the Swiss team," she added. Swiss women faltered in Austria on Saturday, with only two places in the top 15.

On Monday, two Swiss favorites, Michela Figini and Maria Walliser, failed to complete the first run.

49ers 48, Chargers 10: In San Diego, Joe Montana threw a team-record 96-yard touchdown pass to Jerry Rice, a 41-yard scoring pass to Rice and a left-handed, underhand 2-yard TD toss to Roger Craig as San Francisco improved its playoff prospects by routing San Diego.

Craig also had TD runs of one and seven yards.

Steve Young relieved Montana with the score 38-10 and guided the 49ers to two scores, including a 37-

yard touchdown run by Doug Ducey. San Francisco is 8-5, while 4-9 San Diego saw its two-game winning streak rudely halted.

Colts 24, Patriots 21: In Indianapolis, Indianapolis pulled ahead on Dean Biskamp's 28-yard field goal with 2:22 remaining, then watched as New England's Jason Stauter missed a 27-yarder as time expired.

It was the second errant field goal of the game for Stauter, who six minutes earlier missed on a

43-yard attempt that would have earned the Patriots the lead.

The Colts had to punt three plays after Stauter's first miss, but New England's Irving Fryar dropped the ball and Indianapolis rookie Michael Ball recovered at the 20, setting up Biskamp's game-winning fourth-down field goal. Eric Dickerson scored two first-half touchdowns but was held to 45 yards rushing for the Colts.

At 7-6, both teams are battling for an AFC wild-card spot. (AP, UPI)



Floyd Picks Up \$290,000 in Golf's 'Skins Game'

While Jack Nicklaus was winning the 11th hole (and \$50,000) with a birdie, Ray Floyd was finding the rough truly rough during Sunday's second half of golf's Skins Game. But Floyd pocketed \$290,000 as the leading money-winner in the two-day, 18-hole event at the PGA West course in La Quinta, California. Having earned \$90,000 Saturday, Floyd made \$165,000 Sunday with a 10-foot putt on the 16th and \$35,000 on a playoff hole. Nicklaus finished with a total of \$125,000 and Lee Trevino took home \$35,000, but Curtis Strange was shut out. Strange, the reigning U.S. Open champion, 1988 player of the year and the first man to go over \$1 million in single-season earnings on the PGA tour, didn't win a hole and didn't make a birdie until the 18th, when he rolled in a 40-foot putt — only to have Trevino can a shorter one and send things into overtime. Floyd won the first extra hole with a 15-foot birdie putt. Said Strange of his lost weekend: "I got what I deserved."

SCOREBOARD

FOOTBALL HOCKEY BASKETBALL

Scoreboard table containing NFL Standings, NHL Standings, NBA Standings, and U.S. College Standings. It lists various teams and their records across different divisions and conferences.

Masters: Grueling Finale

By Robert McG. Thomas

New York Times Service NEW YORK — Some tennis is for the glory, Wimbledon and the U.S. Open come to mind. Some tennis is for money; any major tournament will do. And some tennis is even for fun — against your 4-year-old kid, for example.

The tennis they'll be playing at Madison Square Garden here this week will be for blood. As the last event on a pro tour devoted to tennis as a high-skill sport, demanding fitness and focused power, the season-ending Masters is the ultimate test of tennis as a break-dance endurance contest.

The field is limited to the eight best players still on their feet after a long (10-month), grueling (79-tournament) season.

Given the list of ailments the eight stalwarts have been nursing as they limp toward Wednesday's opening matches, the winner of the final event Monday night is likely to be simply the last one to collapse in a heap. If it turns out to be Ivan Lendl, don't be surprised.

Lendl, seeded second behind Mats Wilander and ahead of Andre Agassi, has been having an off season, and his ailing shoulder is among the more severe injuries in the field. But he knows how to play past-season pain: He has won the Masters a record five times.

Besides, Lendl is hardly the only battered player after a brutal season in which two of the top stars failed to make the Masters because of different kinds of ailments — Jimmy Connors, out with an injured foot, and John McEnroe, suffering from acute bonus-point deficiencies.

Among those who have made it, Wilander has been complaining about shin splits, fourth-seeded Boris Becker has a foot injury; No. 5 Stefan Edberg has a sore knee and even No. 8 Henri Leconte has been ailing. And when hidden bruises are taken into account, the others, including Jakob Hlasek (No. 6), and Tim Mayotte (No. 7), aren't what they were when the season started.

Wilander has already clinched the \$800,000 first prize in the tour's bonus pool. But there is still a scramble for some of the lesser bonus prizes, and the Masters itself has enough money at stake (\$750,000) to assure an all-out fight, as well as a format that makes it a sort of Skins Game.

The players are divided into two four-man groups, which play separate round-robins with \$30,000 riding on each match, or as much as \$90,000 for the two first-round winners. Each group's top two players advance to the semifinals, with \$60,000 awarded to the two finalists.

The champion gets an extra \$150,000, which, along with the \$15,000 each player gets for showing up, gives the Masters a potential top prize of \$315,000, the richest singles prize on the tour.



TYSON BAPTIZED — The Reverend Jesse Jackson, right, and the Reverend Henry J. Paydon prayed over heavyweight champion Mike Tyson before his baptism Sunday at Holy Trinity Baptist Church in Cleveland. "I felt so clean, so pure and reborn," said Tyson after a ceremony attended by about 700 people, including boxing promoter Don King. "I think religion is going to change my life."

With B.C. on the Winnipeg 7, Dunigan was looking for slotback Jan Carinci. Defensive end Mike Gray got his hand on the pass; the ball deflected off defensive back Bennie Thompson and back to Gray.

"I thought for sure they'd go for the good field position," said Gray, who was named the top defensive player of the game. "They played aggressive, they played to win, but it backfired."

Dunigan said, "Unfortunately somebody got a hand on it, or it would have been seven points and would have ended up totally different. Just give credit to the Winnipeg defense."

Cameron conceded a safety with 58 seconds left, making it 22-21 but allowing the Bombers to kick off and pin the Lions deep in their own territory.

The day's real winner may have been the CFL. After limping through another season of financial woes, it got its second consecutive entertaining championship game, following last year's 38-36 victory by Edmonton over Toronto. This year's contest drew more than 50,000 fans to Lansdowne Park. (AP, UPI)

TRANSITION

Table listing various sports events, including baseball, basketball, and football, with dates and locations.

SKIING

Table listing skiing events, including World Cup and Women's Giant Slalom, with dates and locations.

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ART BUCHWALD

The Sideline Fanatic

WASHINGTON — You see them on U.S. television holding their fingers in the air and sticking their tongues out, and you wonder where they come from. They're the fans that the cameras pan to between football plays. They are the people who make everything about TV sports worthwhile.



Buchwald

Bill blushed modestly. "Everyone on TV without the little people behind you — the directors, the cameramen and the scriptwriters, not to mention the network vice presidents who had the faith to put me on the screen knowing I had a sore throat. I'd also like to thank my grandmother Quavie who told me many years ago, when I revealed to her my dream of appearing on TV, 'You can do anything you want if you just put your mind to it.'"

Fitzwilliam Art Going to U.S.

WASHINGTON — More than 160 paintings, manuscripts and other works from the Fitzwilliam Museum in Cambridge, England, will be shown beginning March 18 at the National Gallery of Art.



The contenders: Edward de Vere, the 17th Earl of Oxford (left) and Stratford's William Shakespeare. At right, a view of the mock trial as their partisans contested authorship of the plays.

Shakespeare v. 17th Earl: The Verdict

By Terry Trucco
LONDON — Nearly 300 scholars, academics, and literature buffs, many with notebooks and tape recorders, gathered here at Middle Temple Hall for a mock trial to determine who wrote "Hamlet," "The Tempest" and "Measure for Measure."

Bush Keeping Fitzwater

Martin Fitzwater, the Reagan White House spokesman, will remain in his post, President-elect George Bush announced Monday. "He represents the old and the new," Bush said. "This is continuity in the best sense."

White House Says Bush's Decision Was Right One

WASHINGTON — President-elect George Bush's decision to keep Martin Fitzwater as his White House spokesman was a "right one," said a senior administration official.

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